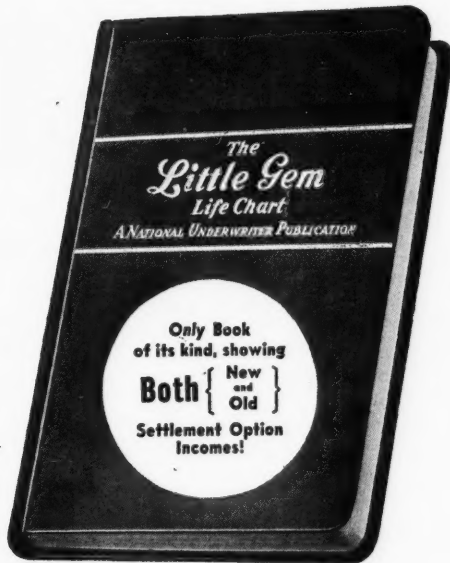


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FRIDAY, MAY 12, 1944

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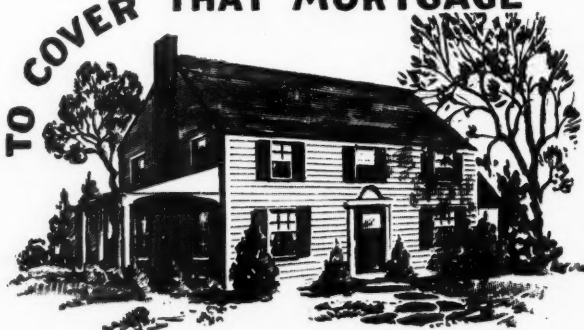
Four of them are gold stars. It is our hope and prayer that, through God's will, there will be no more.

Because we want them all back, and we will have a place for them when they return.

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**NATIONAL LIFE  
AND ACCIDENT  
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INSTEAD OF A MORTGAGE



*The* **PRUDENTIAL**  
INSURANCE COMPANY OF AMERICA  
A mutual life insurance company  
HOME OFFICE NEWARK, NEW JERSEY



## Parkinson Gives Play-by-Play Story on Investments

**Equitable President  
Enthralls Big Chicago  
"Par" Audience**

President T. I. Parkinson of Equitable Society has the faculty of making a speech about investments that is as exciting as the broadcast of a Kentucky derby. In addressing the audience of about 250 Equitable people in Chicago Monday, marking the culmination of the great "Par-for-Parkinson" April campaign, Mr. Parkinson gave a play by play account of what Equitable has accomplished in the past few years in the investment field and he held the group in almost breathless attention. Mr. Parkinson is able to make such a message vibrant not only because of his potent forensic ability, but because he operates in the investment field in a competitive spirit.

The investment story that he told not only provided Equitable representatives with selling ammunition but Mr. Parkinson emphasized that it is because of the profits over and above what the policyholder was entitled to expect that enabled Equitable to provide the benefits that it has for its salaried personnel, agents and managers. Incidentally he announced that the group medical payments plan that was made available to home office employees recently soon will be extended to the field force.

### Expectation of Performance

Mr. Parkinson observed that the agent in selling insurance, arouses in the client an expectation of performance in the distant future and that creates a responsibility on the part of the agent and management. Equitable, he said, possesses the power to do what it promises, to expand the service continuously and it has the will to do it. The power, he said, comes from its financial position. The policyholders have a right to have the management take good custody and care of their resources, to invest the money and accumulate earnings to provide for future obligations. Equitable is required to earn 3.07% on its reserves. Actually it is earning 3.2% on all of its assets and 3.45 on its reserves.

### Exceeds Expectations

In addition to doing what the policyholders had a right to expect, Equitable in the past 12 years has added to the net profits of the policyholders \$110 million. In 1943 the net profits were \$17 million. This year, to April 30 they are \$11 million.

The problem is the management of real estate, finding of non-government investments and administration of the whole investment. He said that Equitable since the depression had foreclosed on 9,000 farms, and 15,000 non-farm properties. It now has left unsold 1,000 farms, 515 non-farm properties outside of New York and 800 in the New York area. This year Equitable expects to liquidate all of its non-farm properties that it desires to liquidate before the end of the year and it expects to reduce its farm holdings to 250. It could liquidate all of the properties if it were in a hurry to do so.

The splendid liquidation results are a reflection of organization and manage-

(CONTINUED ON PAGE 19)

## AFL Enters Fight Against States' Rights Bill

WASHINGTON—A new angle of the fight over the insurance states' rights bill developed this week when it became known that legislative representatives of the American Federation of Labor have asked the Senate judiciary committee for a hearing. They were told they would be advised if and when another hearing is to be held. The committee did not hold its customary Monday meeting this week.

Again recessing on Monday, until May 15, without announcing decisions in the S.E.U.A. or Polish National Alliance cases, the Supreme Court ordered a further recess until May 22, and stated it would adjourn (for the summer) on May 29, unless otherwise ordered.

Court attaches, however, expressed the belief it would be "otherwise ordered," in view of the many cases awaiting disposition—over 30—including the insurance cases.

### Collaborating with O'Mahoney

There are indications that the AFL may be collaborating with Senator O'Mahoney, Wyoming, chief opponent of the bill. AFL representatives have conferred with him.

Organized labor's interest in the insurance bill, an AFL spokesman stated, is related to its possible effect upon the wage and hour act and the national labor relations act.

"The Bailey-Van Nuys bill will exempt insurance from the anti-trust laws, which apply to interstate commerce," the spokesman said. "Once the insurance business is declared not to be interstate commerce, our attorneys advise us, automatically it is taken out from under the wage and hour act and the Wagner labor relations act."

"We have 60,000 to 70,000 insurance company employees, members of the insurance agents and office employees unions, who are AFL members. The wage and hour law applies to such employees. It would not, if this bill is passed. They would also be deprived of the benefits of the national labor relations law, the minute the insurance bill is passed."

### Seek Support in House

It is understood that AFL officials have held a number of conferences with visiting delegates from the insurance agents and office employees unions, together with attorneys.

Besides asking the Senate committee for a hearing, AFL representatives have contacted a number of House members, among others, Rep. Walter, Pennsylvania, co-author of the states' rights bill. The latter is reported by labor men to have said he did not fully realize the implications in the bill.

The labor men report House members are not anxious to rush in and pass the bill and "take the bill away" from the Supreme Court, which has been considering for months the question whether insurance is commerce. They say further they believe the bill will be defeated in the House, if brought up under the special rule provided for its consideration.

### AFL Argument Termed "False"

Rep. Hancock, New York, who sponsored the bill with Walter, says the AFL argument is "utterly false."

"The courts have said insurance is not commerce," Hancock continued. "All this bill does is to say the anti-trust laws do not apply to insurance."

Saying that he had seen some CIO articles opposing the insurance bill, Hancock charged the AFL with "try-

## Ohio Association Renames Paul Smith

**Plan for Employing  
Full Time Secretary  
to Be Studied**

By L. H. MARTIN

COLUMBUS, O.—Paul M. Smith, Columbus general agent New England



Paul M. Smith

Mutual, was re-elected president of the Ohio Association of Life Underwriters at the annual meeting here. New regional vice-presidents are: M. F. Boice, Sun Life, Akron; L. H. Feder, manager Reliance Life, Cleveland; C. E. Spencer, general agent Penn Mutual, Toledo; H. S. Stout, general agent John Hancock, Dayton; and F. P. White, Aetna Life, East Liverpool. Robert K. Zimmer, general agent Penn Mutual, Columbus, was chosen secretary-treasurer. Mr. Smith was authorized to name a committee to report at the next meeting to consider the advisability of employing a full-time state association secretary. Mr. Smith urged such action, holding that membership could be doubled with a full time secretary. He also recommended that the regional vice-presidents operate as a state membership committee, that the state council be better organized and that the state speakers' bureau be expanded.

### Membership Shows Gain

Mr. Stout reported that membership is now close to 2,100, a gain of nearly 100. In reporting on the speakers' bureau, Mr. Spencer announced that 32 speakers are now available and that all speakers requested during the year were supplied.

J. W. Ray, Travelers, Columbus, urged further use of the booklet "Life Insurance Dollars in Action," and "Handbook of Life Insurance" in the secondary schools.

Mr. White, reporting for the extension committee, said the associations at Portsmouth and Steubenville have been reorganized.

### Backs Tax Limitation

C. Vivian Anderson, Provident Mutual, Cincinnati, chairman law and legislation committee, commented on the proposed 22nd amendment to the Constitution which would limit federal taxes in peace time to 25%. He stated that 17 state legislatures have now approved the measure and that Ohio should.

Judd C. Benson, Cincinnati, manager Union Central, reported on the Buffalo meeting of the National association and urged strong Ohio representation at the Detroit meeting.

Guy C. Randolph, Cincinnati, general agent New England Mutual, presented the Cincinnati association's resolution endorsing Mr. Benson for national trustee or for any other national position that the National association may decide to nominate him. On motion of

(CONTINUED ON LAST PAGE)

ing to filibuster" against the bill with the help of Senator O'Mahoney.

Hancock said organized labor has Union Labor Life, headed by Matthew Woll, who is high in AFL circles, "and they are just as much interested in this bill and the situation it aims to correct as anybody."

## Dividend Under 5% Rule May Not Be Taken in Cash

**May Be Used Only to  
Buy More of Original  
Type of Cover**

WASHINGTON—In answer to an inquiry from THE NATIONAL UNDERWRITER, the internal revenue bureau states that policyholders for whom insurance was purchased under the so-called 5% rule may not receive dividends in cash, may not use dividends to buy paid up additions, nor may they leave them to accumulate at interest with the insurer. The only use that may be made of dividends, without express approval of the salary stabilization unit, is to purchase additional insurance of the type upon which the dividends were issued.

That means that the assured may purchase such an additional amount of ordinary or whole life or endowment at 85 insurance as the dividends will purchase. In by far the majority of cases the first year dividends will not be sufficient to purchase as much as \$1,000 of insurance. Hence, the practical result will probably be that the employer will remit to the insurer the net premium and the outlay will thus comprise something less than 5% of the assured's salary.

"This office has carefully considered the matter presented and, provided dividends on policy contracts are used to purchase additional insurance of the type upon which the dividends were issued, such dividends will not be considered as salary," the internal revenue bureau states.

"On the other hand, dividends used for any other purpose will be considered as salary requiring the approval of the salary stabilization unit, and under no circumstances will this office approve the payment of such dividends at interest where the accumulated account might be withdrawn at any time by the employee."

Conferences are proceeding between insurance representatives and Treasury Department officials concerning proposed amendment of the regulations covering pension trusts, and the 5% rule under the stabilization program.

Next week the latter will be subject of conference at the treasury, with a view to broadening regulatory provisions so as to include other types of insurance than ordinary, whole life and endowment at 85.

Recently, the rule for measuring cost of insurance in pension trust was subject of a conference attended by over a score of government officials and insurance representatives. This matter is reported to be still in process of formulation.

## Boost Hawley Wilson for American College Trustee

Following a report of the recent C. L. U. meeting at Dallas by C. R. Warren, secretary, the Oklahoma City chapter recommended the nomination of J. Hawley Wilson, Massachusetts Mutual, for trustee of the American College.

The need for an agents qualification law in Oklahoma was discussed.

## Shepherd Views Guertin Laws Before Life Counsel

NEW YORK—Although the intention of the Guertin standard non-forfeiture and valuation laws which have been enacted in 16 states is clear to many, it will be necessary to wait until the laws have been seasoned by years of administrative practice and court construction before anyone can state with maximum confidence what they actually mean, Bruce E. Shepherd, actuary Life Presidents Association, told the annual meeting of the Association of Life Counsel here.

As it would be impossible to establish one set of values which could be used by the wide variety of types and sizes of companies, it is obvious that a non-forfeiture statute can do no more than establish a floor of values for the business as a whole. This simple concept is frequently overlooked, Mr. Shepherd pointed out.

### One General Formula

As it is undesirable if not impossible to have different formulae for participating and non-participating, the gross premium factor is set at a level appropriate to non-participating and ignores the dividend factor.

In considering the expense factor, a wide variety of variations must be taken into account. Under a branch manager system, for example, the cost of doing business bulks larger in the early years than it does under a general agency system, where the general agent absorbs some of the earlier expenses in expectation of higher earnings in the renewal years.

The non-forfeiture law is not intended to provide a formula to produce equitable benefits for all companies. Because of the variations in operations this would not only be impossible but it would be undesirable to infringe on the functions of management to attempt to regulate the business to such a fine degree. Furthermore, there is a fundamental difference between estimated and actual experience. There is no restriction on gross premium levels which are subject only to the forces of competition as under existing laws.

### Must Be Understood

The definition of the commissioners reserve valuation method under the standard valuation law has been criticized because of its complexity but it is not as complex as it appears on the surface if its purpose is understood and it is certainly not as complicated as the present laws defining the Illinois standard, Mr. Shepherd declared. Reserves are defined in terms of the difference between the present value of benefits at the date of valuation and the present value of future "modified net premiums." These modified net premiums are such that their present value at the date of issue of a contract equals not only the present value of the benefits provided but an additional amount intended to correspond with the excess of the first year expense over renewal expense.

### Recognizes Expense Variation

Reserves under the commissioners' valuation are the same as those under the Illinois standard except in a few cases where the commissioners' method produces slightly lower reserves. At the same time, the commissioners' method is expressed in logical form and recognizes the uneven incidence of the expense of doing business. The standard valuation law is a minimum statute and specifies a basis and method for determining aggregate reserve liabilities below which no company is permitted to go. Any company may calculate its reserve liabilities according to more stringent standards.

Much controversy has centered around the interest differential provision of Section 6 of the valuation law. It provides that in case of participating life policies, reserve liabilities may be calculated at a rate of interest no

lower than that used in the calculation of non-forfeiture benefits provided by the policies, except with the approval of the commissioner. It was adopted at the suggestion of various insurance departments as an improved substitute for the surrender dividend law and is intended to allow a company some latitude in fixing of both nonforfeiture guarantees and policy liabilities for determining the financial position according to conservative estimates. In addition, it permits a company to adopt more conservative valuation standards for older issues when experience points to that necessity without forcing it to run the risk of penalizing other policyholders by having to increase its nonforfeiture guarantees under these policies.

### Amendments Predicted

Experience and further study will inevitably dictate amendments to the new standard laws, Mr. Shepherd pointed out in discussing questions which have arisen, emphasizing that they are not important enough to justify any immediate change. The content of new policy provisions to meet the non-forfeiture requirements is the subject of much discussion and questions have been raised concerning the application of the commissioners' reserve valuation method to odd plans. It is hoped that the advisory committee of insurance department actuaries which is to be named soon will be able to clear the way for smooth and effective operation of the new laws.

### Paid-up Benefit Situation

It is left up to the company's discretion to fix the type of paid-up benefit and because of varying death benefits there is a reasonable difference of opinion as to what form extended insurance should take. There is also some opinion that no extended insurance should be granted under some classes of sub-standard policies. The company may also decide whether the required paid-up benefit shall become effective at the end of the days of grace or at the end of the 60-day period. This permits flexibility in contract provisions within this narrow range. Some companies that wanted to make a reduced paid-up benefit automatic might at the same time want to provide that if the insured died after the grace period, but before the expiration of the 60-day period, the full face amount of the contract would be paid.

Other companies might not want to do this, but might desire to provide that the reduced paid-up benefit would be presumed to be effective within the extra 30-day period following the expiration of the grace period, in which case only the reduced amount of insurance would be paid in the event of the insured's death during this extra period. Either method is satisfactory so long as it is clearly set forth in the contract. Some companies may prefer the first method as having certain practical advantages over the second, but the second is reasonable enough not to be prohibited by statute.

### May Supplement Table

The requirement that a policy provision explain the method used in arriving at the values guaranteed by the policy creates some difficulty as this cannot be simply expressed and may develop results differing slightly from the values shown in the table. The joint committees of the American Life Convention and the Life Presidents Association have recommended that the statement apply only to values not shown in the table which would afford considerable relief.

All policies are required to contain a six month deferment provision on surrender values as panic conditions

## Completes 25 Years with Northwestern Mutual



M. J. CLEARY

M. J. Cleary, president of Northwestern Mutual Life since he succeeded the late William D. Van Dyke in 1932, is observing his 25th anniversary with the company. He joined it May 1, 1919, as a vice-president, just after completing a four-year term as Wisconsin commissioner. He was presented two large bouquets, one from employees and the other from fellow officers, and a bound volume containing 1,500 signatures of officers, trustees, employees and general agents. The trustees had honored Mr. Cleary at a dinner.

A dinner was given by the Northwestern Mutual Quarter Century Club, attended by most of the 250 members, all of whom have 25 years or more of service. Percy H. Evans, vice-president and actuary, with Northwestern Mutual nearly 55 years, presented 25-year service pins to Mr. Cleary and nine other employees who had qualified the past year.

## Zone 1 Commissioners Hold Parley in Hartford

HARTFORD — Insurance commissioners and supervisors of the eight states comprising zone 1 were guests of Commissioner Allyn of Connecticut for a pre-convention discussion of business that may come before the meeting of the executive committee at St. Louis this week. Governor Baldwin addressed the department representatives at a luncheon, and in the evening they were guests of the executives of local companies at a dinner.

In morning and afternoon sessions the supervisors discussed matters relating to agents' qualification requirements; the steady downward revision of fire insurance premium rates and their effect on business in general; and various phases of the examination of companies.

## Paul Discusses Estate Tax

NEW YORK—Randolph E. Paul, former counsel for the Treasury department lectured on "Life Insurance and the Estate Tax" Tuesday in a series sponsored by the Practising Law Institute. He dealt with tax problems facing executors in administering life insurance.

cannot be successfully met unless companies act concertedly on emergency matters, Mr. Shepherd explained. This is strictly an emergency clause. It is hoped that the Wisconsin statute which has the deferment requirement under the "more favorable" conditions of the first part of the section may be amended.

## Sales of Foreclosed Farms Drop Sharply

### Contract with Near-Inflationary Boom; Mortgage Repayments Excellent

NEW YORK—Sales of foreclosed farms held by life companies, which up to six months ago were so brisk as to cause fears of a possible dangerous inflation in farm land prices, are down to a mere trickle. The volume of sales fell off sharply around last October and has been steadily diminishing ever since.

There is some hope, however, that with the evolution of a stabilized governmental policy regarding the drafting of men of various age groups and the availability of machinery manufactured as a result of the release of material for this purpose there will be an increased demand for farms. It is not entirely clear what the reason has been for the about-face in farm buying but it is believed to be due to inability to get farm help in adequate numbers and to uncertainty on the part of potential buyers as to their draft status. There have been cases where farmers thought they were going to have to sell their equipment and land and go into the armed forces.

The recent relaxation of rationing on meats should also help the farm picture. Surpluses have accumulated to the point where they have been affecting the farmer himself. As long as his buyers were building up their stock-piles the farmer did not have to worry about producing more goods than was actually being consumed. However, with warehouses glutted he could see his markets disappearing. While the farm sales boom was on the companies sold much of their foreclosed farm properties.

On these as well as on other farm mortgages the repayment record has been excellent, in fact many farmers have been paying back much more than they were required to under the terms of their loans. The usual farm mortgage provides that the farmer may if he chooses, repay as much as one-fifth of the mortgage during any one year but some farmers in the last year or so have arranged to exceed even this high percentage of amortization.

## R. K. Paynter Now N. Y. Life Treasurer

NEW YORK—After 42 years with New York Life, Vice-president and Treasurer A. H. Meyers is retiring. The new treasurer is Richard K. Paynter, formerly assistant vice-president and assistant treasurer.

Mr. Paynter graduated from Princeton in 1925. He was in the investment banking field until 1934 when he joined New York Life in the railroad division of the treasurer's department. He was named assistant treasurer in 1937 and assistant vice-president in 1943.

## St. Louis Companies Are Hosts to Commissioners

ST. LOUIS—The various insurance companies with home offices here were hosts at a reception and dinner Thursday for those attending the meeting of the executive committee of the National Association of Insurance Commissioners.

Walter W. Head, president, General American Life, gave a welcoming message and Superintendent Scheuffer of Missouri served as master of ceremonies.

The speakers were Commissioners Harrington, Massachusetts, president of the association, and McCormack, Tennessee, chairman of the executive committee.



## 'Percentage Clause' Boon to Companies That Sold Hotels

### Crowded Hostelries Share Profits with Mortgagees Under Arrangement

NEW YORK—Overcrowded hotels are a headache for the traveling public but for life companies that sold their foreclosed hotel properties with a "percentage clause" in the purchase money mortgage the hotels' prosperity is putting these investments on a very sound basis.

The percentage clause provides that after deduction of all taxes and expenses, a percentage of net income shall be paid as amortization to the extent that this percentage exceeds the guaranteed percentage of amortization. For example a 15 year mortgage might provide that reduction of principal per year should be 2% of the amount of the loan or 50% of the net income, whichever is greater. Incidentally, though there is quite a wide variation, these figures are not far from typical.

As a result of these percentage clauses and booming business some hotels are paying off as high as 5% or 6% of the principal each year. Naturally repayments would be much higher if it were not for the current heavy federal income tax.

#### Reasons for Use of Clause

The percentage clause is particularly desirable with a purchase money mortgage but it is being required more and more on renewals of ordinary mortgages. However, when the loan is for a relatively small percentage of the property's value the company may prefer not to have a percentage clause as it does not want the loan paid back too rapidly. With a purchase money mortgage, however, the cash payment may be around 20% or 25% and it is desirable to get the mortgage paid down to a more conservative figure as rapidly as possible. Some times a buyer who puts in only a small percentage of cash is thinking mainly about making enough out of the property to enable him to get out without loss a few years hence in case things go badly. The percentage clause helps to forestall this.

Another reason for the growing popularity of the percentage clause is that it permits the life company to require a rather moderate guaranteed rate of amortization, one that the hotel can probably handle even in slack times. Yet when the hotel prospers the lending life company will get a higher amortization than it would expect on a guaranteed basis. This is regarded as entirely fair, since no company wants to force a hotel into liquidation and take it over if there is any way to avoid it. Since the company knows that it will have to be lenient in bad times, it might just as well average out its experience by getting a bigger amortization in good years.

#### Special Libraries Assn. to Meet

M. Albert Linton, president of Provident Mutual Life, will be one of the speakers at the 36th annual conference of the Special Libraries Association June 19-21 in Philadelphia at the Benjamin Franklin hotel. The theme of the conference will be "In Time of War, Prepare for Peace."

The insurance group of the association will have three meetings and will visit several insurance company libraries.

## Even Higher Claim Rate on Weekly Indemnity Foreseen

NEW YORK—Predicting that the claim rate on weekly indemnity coverage offered by group companies has not reached its peak, E. B. Whittaker, second vice-president and associate actuary Prudential, told the American Management Association's annual meeting here that the 25% increase in the claim rate last year is only a taste of that which will come after the war when many claims for the maximum benefit period will be presented when employees are laid off, either due to the reduction of orders or to make room for returning service men.

A. M. Schmidt, insurance manager of the Johns-Manville Corp., was selected as vice-president of the association in charge of the insurance division. He succeeds W. F. Lund, insurance and office planning manager of U. S. Rubber Company.

Underwriting rules which insurers have followed successfully for the last 20 years no longer provide sufficient safeguards under prevailing industrial conditions so that it is essential that new plans be written on a more conservative basis and existing plans be brought in to line with modern conditions, Mr. Whittaker pointed out. The main objective is to provide a plan that satisfies the needs of employees without costing too much money, promoting absenteeism or otherwise disrupting production schedules.

#### Suggestions for Improvement

Mr. Whittaker analyzed the reasons why the claim rate on weekly indemnity increased so markedly last year coupled with suggestions on how the situation can be corrected.

It is essential that employees have some financial urge to return to work so that the commonly used two-thirds and

sometimes three-fourths of pay benefits are now too high. One-half of pay, or in effect, two-thirds of the "take home" pay is now the safety limit as benefits are not taxable income and three-quarters of pay benefits provide the employee with as much cash income as full pay less various war bond, social security and withholding tax deductions.

It is also vital that there be no duplication of payments under insurance and employee benefit association or extension of wages by the employer. Mr. Whittaker cited the General Motors Corporation's survey which showed that the claim rate in a plant which had additional benefits provided by a private plan had a 60 to 70% higher claim rate on its group policy than a nearby plant in the same labor market without the additional private plan.

The usual plan of starting benefits with the fourth day of disability is now no longer practical because of the marked increase in short duration claims especially among the aged and infirm. Several companies are now unwilling to issue policies without a week waiting period. With the shift in employment after the war, Mr. Whittaker feels it is desirable to limit the benefit paying period to 13 weeks as it will be difficult to hold down claims on people no longer holding jobs. In view of the higher turnover rate on labor a probationary period of at least three months for new employees will simplify administration as well as to cut costs.

The employment of women has had a strong influence on claim rates, the rate on single women being about twice the male rate while married women have about the same claim frequency as single women but their claims last longer. The

(CONTINUED ON PAGE 9)

## U. S. Chamber Insurance Group Holds Parley

### Many Important Projects Are Undertaken by Committee

WASHINGTON—Government bureaucracy in connection with insurance and other industries was attacked by Senator Ferguson, Michigan, member Senate judiciary committee and sub-

committee on the Bailey-Van Nuys bill, at a luncheon given by the U. S. Chamber of Commerce insurance committee here. The luncheon and all-day committee meeting were followed by a 2-day meeting of the chamber's directors, which approved the committee's action concerning veterans' employment and rehabilitation.

Considered both by the committee and the board was the report of the chamber's special committee on social security, recommendations in which are expected to be submitted to referendum vote of chamber members.

Board members include Carl N. Jacobs, president Hardware Mutual Casualty; John M. Thomas, president National Union Fire; Chester O. Fischer, vice-president Massachusetts Mutual Life, and Fred L. Conklin, president Provident Life of Bismarck.

#### Question of Manpower

Under the leadership of James L. Madden, Metropolitan Life, as chairman of the insurance committee, consideration was given to the question of manpower, with particular reference to its prospective impact upon the insurance industry, in the months to come. In this connection the committee listened to a talk by Col. George H. Baker, of selective service system staff.

A subcommittee headed by Mr. Madden was appointed to confer with selective service and war manpower commission officials and to report back for such action as may seem desirable, for the information of the chamber's insurance membership.

Besides Mr. Madden, this subcommittee is composed of W. E. McKell, president, New York Casualty; L. E. Falls, vice-president American; Chase Smith, secretary National Retailers Mutual.

The Bridges bill and its prospects were discussed at length by Grant Taggart, California-Western States Life, Cowley, Wyo., and James Rutherford, executive vice-president National Association of Life Underwriters. A special subcommittee was named, headed by Frazer B. Wilde, president Connecticut General Life, to continue work in connection with that bill, in an effort to determine the best way to secure relief under the tax laws for policyholders. It is understood the committee has met with Senator Bridges, New Hampshire, in connection with this matter.

On veterans' rehabilitation and employment, a committee was named to work with the Veterans Administration and other government agencies, consisting of Messrs. McKell, Smith, Thomas, John Diemand, president North America; and John Train, president Utica Mutual and Mr. Taggart.

Veterans' problems were discussed off the record by Brig. Gen. Frank T.



J. L. Madden

## Almost Surrendered

"One morning in September," a company cashier tells us, "a policyholder came in and requested cash surrender for two of his policies. He was over 65 and not in the best of health. We attempted to conserve the business, but he wasn't interested. When we telephoned that the papers were ready he arrived and we went through the entire matter again.

"He was unwilling to reconsider, but in view of the fact that without further cost to him the value would remain the same until late in September, he agreed to wait, but took the forms with him to be signed and mailed to us on the date shown. When the date arrived he decided to wait a couple of weeks more.

"On October 16 he telephoned requesting that we order new surrender forms immediately. On October 17 the beneficiary telephoned that our insured had passed away during the night. She was very upset and wanted to know if the policies had been surrendered.

"She was most thankful to learn that because of the delay the policies were still in force."

\* \* \*

### THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY  
Chairman of the Board

JOHN A. STEVENSON  
President

INDEPENDENCE SQUARE, PHILADELPHIA

Hines, veterans' administrator, which is concerned with National Service Life Insurance, Senator Clark's bill for revision of that law, and problems of rehabilitation and employment. The necessity for broad education and a broad collaborative effort was stressed.

The army's educational program was outlined by Col. Wiley Tonner of army specialized training division, and many insurance committee members expressed the thought that insurance companies would do well to adopt and advance methods of training insurance personnel, as used by the army, after the war.

President Eric Johnston of the chamber discussed conferences he has had with insurance men and officials of Latin American countries. He expressed the hope that conferences now proceeding and meetings in New York of the Inter-American Development Commission, of which Mr. Johnston is chairman, under the sponsorship of the Office of Coordinator of Inter-American Affairs will aid the cause of insurance in world-wide business.

Prominent guests attending include Commissioner Ensor of Maryland; Superintendent Jordan, Washington, D. C.; E. L. Williams, president Insurance Executives Association; H. W. Breining, assistant administrator of veterans affairs; John J. Wicker, American Mutual Alliance; Lawrence Baker, counsel

National Association of Life Underwriters.

The chamber's board of directors adopted Mr. Madden's statement, for the insurance committee, on veterans' rehabilitation.

## Equitable of Iowa Liberalizes Its Retirement Plan

Substantial increases in benefits payable under Equifund, the retirement income program for field representatives of Equitable Life of Iowa, have been made possible under new provisions.

Effective as of Jan. 1, 1944, the company has increased its maximum contribution to Equifund from 3% to 5% of the annual commission incomes of participating agents who elect to deposit an equal amount, thus increasing retirement incomes to amounts considerably greater than were possible when Equifund was established in 1938.

Additionally, in order to equalize the retirement benefits to older field men, an additional life annuity will be purchased by the company for members of Equifund who were more than 45 years old as of Jan. 1, 1938, and who, therefore, could not contribute to the plan for a period of 20 years prior to attainment of their 65th birthday. This will be for a sum which will bring the aggregate Equifund income of older agents up to 20% of their average monthly commission incomes in the 10 years preceding their qualification for retirement, but in no case will the additional annuity be greater than \$50 monthly.

## Urges Competitive Bids in Railroad Bond Sales

WASHINGTON—Competitive bidding in the sale of new railroad securities is urged by U. S. Senator Shipstead of Minnesota in a letter to W. J. Patterson, chairman Interstate Commerce Commission. The senator takes particular exception to the "outrageous" \$75,000 fee paid Morgan Stanley & Co., for selling \$30,000,000 in bonds of the Chicago, Burlington & Quincy Railroad, and to \$87,500 fee paid Kuhn Loeb & Co., for selling \$35,000,000 notes of the Pennsylvania Railroad. Both issues were bought by insurance companies with banks participating in the Pennsylvania deal. Both were private sales. Equitable Society, the only company mentioned by Mr. Shipstead, bought \$10,000,000 of the Burlington bonds and \$14,000,000 of the Pennsylvania notes. Under competitive bidding, the senator holds, "these scandalous fees would never have arisen."

## Negro Week Goal \$40 Million

The National Negro Insurance Association is in the midst of its National Negro Insurance Week campaign. The observance was instituted in 1935 and production then totaled \$2,750,000. This year the goal is \$40 million.

## Economists Meet May 18

The subcommittee of more than 30 economists of business concerns to study basic principles underlying government statistics and advise on scope and content of such information that might be made available for business use is meeting in New York May 18.

A member of the subcommittee is Donald B. Woodward, research assistant of Mutual Life.

## Life People Publicize St. Paul

Harold J. Cummings, vice-president of Minnesota Mutual Life, and Arthur Devine of Prudential are members of a large committee to carry out a program to give St. Paul national publicity. Mr. Cummings has announced that his company will place a series of 12 advertisements featuring St. Paul in national business publications.

## Life Counsel Holds Annual Parley at N. Y.

NEW YORK—In the absence of any decision by the Supreme Court on the pending commerce cases, a round table discussion on the decision and the cases which had been planned for the annual meeting of the Association of Life Insurance Counsel was not held. Attorney General Biddle, who had been scheduled to appear as a speaker, notified P. M. Henry, Equitable Life of Iowa, president, a few weeks ago that he would not be able to appear, but Mr. Henry said that even if a decision had been handed down, it was doubtful whether Mr. Biddle could have spoken.

Probably the two papers of greatest interest were those of S. C. Smith, Jr., Prudential, on "Improving the Administration of Justice in the Administrative Process," and of B. E. Shepherd, actuary Life Presidents Association, who spoke on Guertin legislation.

A large and representative group was present when Mr. Henry called the meeting to order. He observed that in periods of crises, attendance increased, recalling that in 1941 the meeting was held just prior to the outbreak of the war.

As a war measure, elections had been suspended at the discretion of the executive committee. The committee decided an election should be held and John Barker, vice-president and counsel Berkshire Life, was appointed chairman of the nominating committee.

In reviewing the mid-year meeting of the house of delegates of the American Bar Association, Harry Cole Bates, general counsel Metropolitan, vice-president and acting secretary, reported that a very informative report had been made by a special committee on the Murray-Wagner bill. Mr. Bates was reelected delegate to the Bar Association. A telegram expressing the Association's best wishes for recovery was sent to W. E. Monk, general counsel Massachusetts Mutual, who is seriously ill.

E. R. Morrison, National Fidelity Life, made an interesting study of court decisions on the validity of agreements for adding unpaid interest to principal of policy loans. Up to the time of the Armstrong investigation interest on policy loans was generally considered comparable to interest on bank loans in that if interest was not paid, default resulted and the policy was void. The Armstrong committee recommended that unpaid interest be added to the loan to the full cash value of the policy and this is the provision in use today. He said no insurance department would permit a company to issue a policy without availing policyholders of that privilege.

Details of plans for 10 round tables for the insurance section of the American Bar Association meeting in Chicago the week of Sept. 11 were ironed out at a meeting in New York with officers of the section and members of the council participating.

The round tables are for life, fire, casualty, automobile, surety, aviation, inland marine, compensation, accident and health and practices and procedure. Attending were F. E. Spain, Liberty National, chairman and Henry Moser, Chicago, and Harry Schissler, Fidelity & Deposit, vice-chairman, and J. F. Handy, Massachusetts Mutual, secretary of the insurance section, and the following members of the council: V. J. Skutt, United Benefit Life; R. H. Kastner, American Life Convention; Thomas Watters, Washington; Thomas Bartlett, Maryland Casualty; E. W. Patterson, Columbia University; Henry Nichols, National Surety; C. M. Smith, J. S. Kemper group; Oliver Miller, Des Moines; Lionel Kristeller, Newark, chairman of publications; Wilbur Benoy, Columbus, chairman practices and procedure; T. M. Campbell, Philadelphia; George Beechwood, chairman marine and inland marine, and H. E. Hilton, U. S. Chamber of Commerce.

All officers and members of the executive committee remain the same. Con-

## N. J. Removes All Bars on Juvenile

But N. Y. Agents Fear Still More Cases Will Be 'Bootlegged'

NEWARK—Governor Edge has signed the bill removing the former graduated restriction on the amount of life insurance that could be sold to children under age 15. This change in the law, which makes it possible to issue as much insurance on children as on adults, opens up a large new field and one which agents all over the country are turning to increasingly because so many of their usual prospects have gone into the armed forces.

Company experience has shown that mortality and persistency on juvenile business is equal to or better than the general average. Fears that parents or guardians would insure children so as to kill them off and collect the proceeds have proved to be entirely without foundation. Reasonable care in underwriting avoids the possibility of loading up children with insurance.

## N. Y. SITUATION WORSE

NEW YORK—Elimination of the New Jersey limitation on the amount of insurance that can be sold to children under 15 is a considerable help to New York City agents doing business in New Jersey but for other New York agents the exasperating situation brought on by Governor Dewey's veto of the New York liberalization bill has merely become more acute. The situation was bad enough before the New Jersey law was changed, for even then that state had considerably more liberal restrictions than those of New York.

New York City agents are now faced with the prospect of an even greater volume of their potential juvenile business being bootlegged across the Hudson. There is nothing to prevent New Jersey insurance men from advertising in New York City newspapers. Some agents in Connecticut, which is also free from restrictions on juvenile business, have already been using the newspapers to lure juvenile insurance across the border. New York agents who take their juvenile customers across the river to have them examined run the risk of trouble with the New York department if they are found guilty of evading the New York restrictions.

cluding speakers were S. C. Smith, Jr., Prudential and I. T. F. Ring, State Mutual.

Mr. Ring suggested that company counsel could be of great assistance to agents on selling in view of the complicated tax regulations and court decisions involving estate distribution and life insurance.

The two new title policies adopted by the American Title Association last year after conferences with life company representatives were analyzed by Byron Clayton, assistant general counsel Metropolitan Life. Both forms more clearly define the coverage and rights of the respective parties than any other title policy now being used, Mr. Clayton stated. Although the new forms do not provide as broad coverage as desirable, they are the best forms which can be obtained at the time. In answer to the life company committee's request, an "additional coverage" policy was approved as well as a standard form. The additional coverage insures against assessments for street improvements under construction or completed at the date of the policy. This provision is especially valuable to life companies as it is difficult for them to check local records of improvements.

On the average, each of the 68,000,000 life insurance policyholders has an indirect investment in business and industry of \$150, through the policy reserve funds invested in business securities.



### "FATHER AND SON"

—THE BOOKLET BY HILBERT RUST, C.L.U., KEEPS SELLING, SELLING, SELLING—ONE EDITION TO PRESS—THEN ANOTHER.

\*\*\*

I THINK IT IS BECAUSE MR. RUST combines the point of view of the life insurance man with that of the prospect. For example, Pendleton A. Miller, General Agent at Topeka for the New England Mutual, left a copy with a business man, asking him to read it.

\*\*\*

SOON, MR. BUSINESS MAN invited Mr. Miller to submit a plan for a son. The result was a \$5,000 30-Pay app. That was good, but even better was the business man's comment:

"THIS BOOKLET is the most interesting thing on life insurance I have ever read. If you will put it in the hands of other fathers it will sell a lot of life insurance." Accordingly, Mr. Miller wrote post haste for 100 copies. Evidently one segment of today's market is "Father and Son."



PAUL SPEICHER  
Managing Editor

THE INSURANCE  
RESEARCH & REVIEW SERVICE  
INDIANAPOLIS



## Policy Settlements Are Contracts

### Should Not Be Viewed in Terms of Wills and Trusts

NEW YORK—Life policies and settlements should be considered and worded as contracts and not as wills or trusts both in and out of court, John Barker, vice-president and general counsel Berkshire Life, declared before the Association of Life Counsel here in discussing optional settlements.

Because of the benefits conferred at the death of the insured by a life policy, its resemblance to a will has sometimes been urged but no British or American court has yet decided that it requires the specific ritual, evidentiary and protective functions statutorily demanded for wills, Mr. Barker pointed out. Although the income settlement is sometimes the spirit and image of a will by reason of its accomplishment, it does not come under the laws governing wills.

#### Trust Language Disappearing

Likewise, both the practice of couching the terms of the optional settlement in trust language and the judicial view treating it as a trust are disappearing. Although the trust theory has not been wholly abandoned, the prevailing view is that at the maturity of the policy a contractual or debtor and creditor relationship exists. If the policy provides for optional settlements for the beneficiary, the insured having made no election, the beneficiary is entitled to receive a stated sum of money at once if he demands it and he is also entitled to the benefit of the alternative methods of payments provided by the policy. He cannot take a stated sum and deposit it with the company; he can take a stated sum, or direct the company how to pay it.

#### Two New Cases

Two new cases reinforce the view that the courts should be ready, where the settlement plainly takes the form of a contract obligation, to enforce it without testamentary formalities of execution, Mr. Barker said. In Mutual Benefit Life vs. Ellis the beneficiary requested the company to retain the proceeds under interest option, reserving the right to have the principal paid in installments, either for a definite period or for life, with the unpaid principal in case of her death being equally between three sisters of the insured. The beneficiary's administrator objected to the company's interest income certificate, claiming that the provision to pay the residue to the three sisters was testamentary and void. The court upheld the provision as part of a valid new contract between the beneficiary and the company, on which the third party donee-beneficiaries could sue, holding: "A sufficient answer to the argument that it would violate the statute of wills to enforce the agreement for the sisters lies in the fact that their right to enforce is based upon a contractual obligation and not on any interest in the property of the decedent."

#### Beneficiary Selects Option

In Aetna Life vs. Bartlett the terms of the policy gave the insured but not the beneficiary the right to elect the mode of settlement, the insured having made it payable in a lump sum. However, the beneficiary was then given the right to select a mode of settlement. She decided on \$250 a month until exhausted with the residue in case of her death being divided equally between her son and daughter. A supplementary contract was issued but the beneficiary died eight months later.

The probate court having jurisdiction of the insured's will, which purported to arrange payment otherwise than as provided in the beneficial designation in the

policy, had enjoined payment of these insurance proceeds and the beneficiary did not sign the company's usual form containing a surrender of the policy and an assent to the supplementary contract. The probate court released the proceeds after the death of the beneficiary and the parties to the interpleader stipulated what the court said "is obvious," i.e., that the written supplementary contract was the final agreement between the company and the beneficiary.

The terms of the contract, either effective on their own, or thus stipulated into full being, were not attacked as testamentary; the undertaking to pay the

balance of proceeds above the installments due the beneficiary during her eight months' survival of the insured was sustained, and payment ordered, one-half to the son and one-half to the executor of the daughter, who had outlived her mother less than 11 weeks.

### Pennsylvania Federation Reelects All Its Officers

Charles H. Bokman, Pittsburgh manager of New Amsterdam Casualty, was reelected president of the Insurance Federation of Pennsylvania at the an-

nual meeting in Philadelphia. Among the other officers are F. D. Buser, Fidelity Mutual Life; William B. Corey, Provident Indemnity Life; F. A. Service, Protected Home Circle, Sharon, vice-presidents; Homer W. Teamer, secretary-manager; Mary H. Fireng, assistant-secretary; and William H. Kingsley, Penn Mutual Life, chairman of the executive committee.

One of the measures passed in the last session of the legislature was an amendment to existing law which permits insurance companies to grant pensions to its officers as well as to employes of such companies.

## The Home of HUMAN SECURITY

*"This is Provident's  
best Advertisement"*



### Our SEVEN MILLION DOLLAR Books of the Year

★ Provident Benefit Payments in 1943, if gathered into such a set of books, would require 15 fat volumes averaging 240 pages each, numbering 40 names to the page, merely to record the more than

144,000 POLICYHOLDERS OR DEPENDENTS RECEIVING PROVIDENT BENEFIT CHECKS

★ Such benefits are now being paid at the rate of over

650 every working day  
Exceeding \$7,000,000.00 yearly

★ There were only 3 cases in litigation by the close of 1943 upon claims arising within that calendar year.



### PROVIDENT PETE

*Says:*

That tells the story . . .  
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Our  
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Year

PROVIDENT  
LIFE AND ACCIDENT  
INSURANCE COMPANY  
Since 1887

Chattanooga, Tennessee

Our  
57th  
Year

Life : Accident : Sickness : Group : Hospital

## Pink Views Personal Coverages in His 'Freedom from Fear'

NEW YORK—Various types of personal insurance are treated approvingly and at considerable length in "Freedom from Fear," by L. H. Pink, president of Associated Hospital Service, New York City, and former New York insurance superintendent.

Hospitalization insurance and various forms of social insurance, such as unemployment insurance and old age security coverages are discussed at length.

Discussing life insurance, Mr. Pink's book is somewhat critical of the way that some companies have made investments, stating that many neighborhoods have been overbuilt with apartments and that there has been too little cooperative effort to protect and improve neighborhoods and plan for a sound future development.

Touching on savings bank life insurance, Mr. Pink states that while respectable its volume is not a great factor when compared with that of the companies and that perhaps its major service is to set a standard and act as a

check to keep the life companies on their toes. He is definitely opposed to investment by life companies in common stocks, saying that it would be harmful because it would bring the companies into control of business and industry. He also says that the large number of interlocking directors of banks, financial institutions and great industries on life company boards is open to criticism and that greater effort should be made to obtain representation from other elements in the population and also to obtain fair geographical representation.

Paying his respects to federal regulation of insurance, Mr. Pink states that the most significant objection is the fear of policyholders that, in control, the federal government will use the vast assets of life insurance companies to support the economic policies of the government. A fair partnership between federal and state governments would be the best solution, he feels, were it not for the legitimate fear that if the federal government once gets its foot in the door it will absorb all control and leave little authority in the states.

A little more than one-third of "Freedom from Fear" is devoted to problems of international security in which Mr. Pink views an economic union of nations, which he says is essential.

## Estate Analysis Opportunities Are Multiplying Today

Robert L. Spindell of the Spindell-Millett Service, Chicago, in addressing the meeting of the St. Louis Life Insurance Trust Council, said that many agents in their preoccupation with pension and profit sharing plans, have neglected growing opportunities for estate analysis.

The opportunity comes about because the stock in closely held corporations has acquired a substantial value during the past few years and partnership interests have increased in value. Such increases create estate tax problems.

When more people have larger estates there is a greater need for estate analysis and the accompanying services, he observed.

In bringing up the type of estate analysis that effectuates savings during the client's life time as well as after his death, Mr. Spindell mentioned the living trust for minors. The estate owner can create a living trust of a substantial part of his estate with a trust company as trustee and provide the trustee may accumulate the income or use it for the support, maintenance and education of his children. As long as he is earning enough to support his family and educate his children, the trustee can accumulate the income in a new, low tax bracket. Such a program brings automatic saving of income and accumulation of an estate, saving at much lower income tax brackets, thereby increasing the amount of accumulation often by more than 100%; enables the trustee to use the income for his wife and children if they should ever need it and reduces their estate taxes by placing the top of the estate in the gift tax exemption or low gift tax bracket.

### Exercise of Discretion

Under the new law the grantor may exercise discretion with or without the trustee, to accumulate the income or use it for the support of his minor children. But if he does have this discretion it may make the corpus of the trust subject to estate tax. It is better for the trustee alone to have the discretion. Then there is the discretionary trusts for others than minors whereunder the trustee has discretion to accumulate the income or distribute it to the beneficiaries. The income accumulated is taxed to the trustee in a new low bracket, the income distributed is taxed to the beneficiary who is ordinarily in a low tax bracket. If the grantor exercises discretion the estate tax saving may be lost, if a beneficiary is a trustee he will have a taxable power of appointment. The trust company has the superior advantage.

Then there is the grandfather-grandchild trust or grandfather-grandchild gift program. The trustee is authorized to take out policies on the life of the grantor's child and to use the trust income or corpus if necessary to pay the premiums. Among the trustee's powers will be one to buy assets from the estate of the grantor's child. The trust income is taxed in a new low tax bracket. Property is removed from the top estate tax bracket of the grandfather to a low or medium sized gift tax bracket. The property is not taxed in the child's estate and it may also not be taxed in the grandchild's estate. The income is being accumulated in the tax free investment of life insurance. Funds are made available for the purchase of assets from the estate of the grandfather's child to provide cash funds for payment of estate taxes on his estate; the insurance proceeds are not taxable in the grandfather's estate nor in the insured's estate. The full income of the trust becomes available to the beneficiary upon the father's death.

If the grandfather does not have enough property to create a large trust he could make annual gifts to the grandchildren. The money is deposited by the

## Honor H. A. Hedges for 25 Years with Equitable, Ia.

KANSAS CITY—Herbert A. Hedges, Kansas City general agent of Equitable



H. A. Hedges

Life of Iowa and president of the National Association of Life Underwriters, was honored at a dinner here in celebration of his 25 years service with Equitable.

Fred W. Hubbell, president of the company, presented Mr. Hedges a pin and cited the fact that last year he was named master agency builder of the company for the second time, the highest honor a general agent can win. In the 20 years Mr. Hedges has been with the Kansas City office, Ray E. Fuller, agency vice-president, said, the office has written \$20 million of business.

Two of Mr. Hedges' associates, Art J. Worsfold and William A. Esry, presented gifts from his staff. Among the guests were W. T. Grant, president of Business Men's Assurance; Walter E. Bixby, president of Kansas City Life, and J. Frank Trotter, Kansas City manager of Mutual Life.

## Bureau Groups Hold Forth in N. Y.

NEW YORK—Executives from two groups of Research Bureau member companies met here Tuesday and Wednesday for a round-table, informal discussion of current problems. The two groups, which met concurrently but in separate sessions, consisted of representatives of companies writing weekly premium and ordinary insurance and representatives of those ordinary companies having over \$150 million of ordinary in force.

The arrangements for the meeting of combination companies and the program, were in the hands of a planning committee consisting of E. B. Stevenson, National Life & Accident, chairman; Olen E. Anderson, John Hancock; Morton Boyd, Commonwealth; Henry E. Niles, Baltimore Life; J. G. Stephenson, London Life; and Harold M. Stewart, Prudential.

The meeting for ordinary companies was also handled by a committee, the chairman of which was Vincent B. Coffin, Connecticut Mutual.

The bureau was represented by Manager J. M. Holcombe, Jr., Assistant Manager B. N. Woodson, Director of Research L. S. Morrison, and Consultants L. W. S. Chapman, R. N. Ford, J. E. Scholefield and A. C. Trussell.

The two groups met for a joint luncheon to hear Thomas H. Beck, president of Crowell-Collier Publishing Company.

Though still far from being as good as the companies would like, the recruiting ratio, or number of new agents being hired in proportion to the number under contract, is improving, it was brought out at the conference. Quite a few women are being taken on as agents, also some returned service men and it is anticipated that more of the latter will be available. One pleasing feature of the recruiting picture is that the new agents are selling an increasing amount of business.

donee's mother in the minor donee's bank account. The mother, as trustee, has power to draw out the money and she or the grandfather will take out a policy on the life of the grandfather's child (her husband), and then will assign it to the child. It should be provided in the grandfather's will that part of the income from his testamentary trust shall be used to pay the premium.



## SUPER PRODUCTION!

The rooster's stumped . . . the hen's amazed. . . . Something new has been added in a big way! But the ostrich knows the answer. ■ Juvenile . . . sub-standard . . . mortgage commissions will surprise you, too, besides going a long way in keeping up with today's higher cost of living. (Is there anyone who wouldn't welcome an added income, especially now?) And we have the answer. ■ We will show you how to develop this business from your own clients; we'll help you sell . . . and the extra income dollars are all yours, free and clear, with no strings attached. All it takes is a card or letter addressed to Rolland E. Irish, president. . . . Simple, isn't it? Write today.

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## IRB Wins One Tax Case and Loses Another

WASHINGTON — An employees' trust created by White-Haines Optical Co., for D. D. Hubbell, its president, and Elias F. Wildermuth, secretary, under which a trustee held annuity contracts for them has been held by the U. S. tax court not within the purview of section 165, internal revenue code in effect prior to amendments made by the revenue act of 1942.

The corporation purchased annual premium annuities for Hubbell and Wildermuth in Prudential but had no pension plan or program for its employees generally and none of its other employees have received pension or retirement benefits. Involved were income tax deficiencies for 1941, as follows: Hubbell, \$10,606; Wildermuth \$4,527.

It was held the premiums paid by the corporation on the annuity contracts were for the benefit of Hubbell and Wildermuth and represented additional compensation to them and they are taxable thereon under provisions of section 22 (A), internal revenue code.

### Case of George F. Booth

In another case, that of George F. Booth, Worcester, Mass., publisher, vs. Commissioner, the court held that income from a securities trust created by petitioner for his wife and applied by her without his direction or control to payment of insurance premiums on his life, was not taxable to him. This proceeding sought redetermination of deficiencies in Booth's income tax for 1938-40 in amounts totaling nearly \$38,000.

The court in the first case expressed the opinion the trusts "do not qualify as tax exempt trusts." It points out the optical company had about 350 employees, and says the trust creation and purchase of annuity contracts "was a device to provide additional compensation to petitioners, with the tax on such compensation deferred, rather than a plan to provide for their future security." It says petitioners "were the only officer-stockholders" of the company.

### Trustee Called "Mere Conduit"

The court says the trustee "was merely a conduit for the payment of claims from the insurance company to the trust beneficiaries"; that the trustee "did not have the usual duties of a trustee . . ."; "that the trusts were a mere formality, and their only purpose was an attempt to bring the annuity contracts within the provisions of section 165 and thus qualify them as tax-exempt. To liberally construct section 165 under this factual situation would be to countenance and encourage a subterfuge."

In the Booth case there were involved three life insurance trusts created in 1935 to which were assigned policies on Booth's life, consisting of \$70,000 policies in Mutual Benefit and \$300,000 in Prudential. The trusts were for the benefit of Booth's three children.

When the trusts were created Booth filed a gift tax return and paid gift tax.

The wife drew checks on her own account and paid 1938-40 premiums on insurance policies contained in the trusts.

The court finds that "economic gain was not realized or realizable" by Booth under provisions of the securities trust and that the "rights and powers reserved to petitioner as trustee" under the indenture of that trust "did not constitute the equivalent of ownership of the trust corpus or income."

"The most that can be said is that the wife's course of action met with petitioner's approval," to which the court distinguishes from direction and control. The court held the commissioner's determination in error.

The net worth of life insurance policyholders of the U. S. through their policy reserves has increased five billion dollars since Pearl Harbor, the Institute of Life Insurance reports.

## American Mutual Life Names Nelson at Oakland

Reed C. Nelson has been appointed general agent at Oakland, Cal., for American Mutual Life.



R. C. Nelson

For seven years he has represented Mutual Trust Life as general agent in Cedar Rapids, Ia. In that time he wrote more than \$5,000,000 in personal production. He was a member of the Mutual Trust President's Club each year he was with the company and earned membership in the Million Dollar Round Table in 1941. He was president of the General Agents & Managers Club at Cedar Rapids.

Mr. Nelson was associate general agent in Cedar Rapids for Penn Mutual for eight years. He formerly operated a chain of dry goods stores in Iowa.

With 26% fewer agents than in 1940, the average sales of new life insurance per agent has increased 50% since then.

## Van Schaick, Coudert Give Messages

NEW YORK—Sen. F. R. Coudert, Jr., of the state legislature and G. S. Van Schaick, vice-president of New York Life, were speakers at the exercises sponsored by the Insurance Society of New York for students receiving certificates following the successful completion of its life insurance courses. The certificates were awarded by W. A. Riordan, assistant manager Aetna Life group, and A. G. Borden, second vice-president Equitable Society, respectively president of the society and chairman of the life insurance committee.

Miss Carmel Ajello, Mutual Life, who received a grade of 100 on her final examination and maintained an average of 99% on quizzes during the course, received her certificate from J. B. Maclean, vice-president and actuary of Mutual Life.

Insurance, Coudert said, is the last remaining segment of business which has escaped the maw of the federal government and still is regulated by the states. Local self government is the only possible security against despotism of the worst sort. The one unifying force in American life has been a com-

mon fund of aspirations and ideals. If individuals lose faith in these fundamental conceptions, including liberty and individual freedom, there will be no unifying force except the compulsion of strong government.

If what he termed the "nerve of responsibility," is touched in people, they will be found receptive to life insurance, Mr. Van Schaick asserted. Life insurance has no appeal to the selfish or egoist. Regardless of any decision in Washington life insurance will always endure because it is based on fundamentals close to the human heart. Government supervision, from whatever source it may come, need not be feared because life insurance runs itself and does not require supervision, he stated.

## Pick to Chicago Heights; Henneberry to Springfield

Lester Pick, manager of the Douglas Park office of Metropolitan Life in Chicago has been put in charge of the district office at Chicago Heights, Ill., and its branch office at Kankakee. He joined Metropolitan in 1923 and in 1933, he was appointed a manager.

James N. Henneberry, formerly assistant manager at Ottawa, Ill., has been appointed manager at Springfield, Ill. He joined Metropolitan in 1929.

# To: PROSPECTIVE GENERAL AGENTS

"Do you live in one of LNL's open territory towns and cities?"

If you do, and if you are ambitious for a General Agency of your own, right in your own home territory, we may be able to offer you the opportunity for which you are looking.

Write in confidence for information on the territory in which you live. We are, however, interested only if your present company is unable to satisfy your General Agency ambition in your home area. Write to:

Agency Department

**THE LINCOLN NATIONAL LIFE  
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## Texas Commissioner Tells Reasons for \$10 Extra Reserve Demand

The requirement of the Texas department that life companies put up an extra reserve of \$10 per \$1,000 on Texas business on the lives of men already inducted and in military camps, written without the war clause, was explained by Commissioner O. P. Lockhart at a meeting of the Austin Association of Life Underwriters.

Under state law, he said, companies may use the first year preliminary term reserve basis. It was found practically all policies issued to soldiers were 10 or 20 year endowments and average premium was about \$50. A company normally would set up about \$40 of the \$50 premium on a 10 year endowment in reserve after \$10 loading, but under preliminary term reserve basis could elect not to set up the first year reserve but instead to add it on to the remaining nine premiums and set up \$44.50 each year thereafter.

The company must pay actual mortality experienced in the first year out of surplus, but mortality of these younger men in healthful camps in this country was about \$1 per \$1,000, he said. The result is that the company collects \$50 and uses about \$49 for the expense feature.

The \$10 extra reserve was based on combined experience of Canadian life companies in the former world war but is deemed not infallible.

The companies secured a temporary injunction in Travis county court which has been appealed to the state supreme court and is to be heard sometime in May. The commissioner said whether

he wins or loses in this action he felt he was acting in the best interests of policyholders and of sound insurance practices.

## Lincoln Heads N. Y. State Chamber of Commerce

Leroy A. Lincoln, president of Metropolitan Life, has been elected president of the chamber of commerce of New York state. A vice-president from 1938 to 1942, Mr. Lincoln is the second Metropolitan Life official to head the chamber within a period of 20 years. Frederick H. Ecker, now chairman of Metropolitan, was president from 1924-26.

William J. Graham, vice-president of Equitable Society, was elected treasurer.

Mr. Lincoln is the fourth insurance executive to head the state organization. Darwin P. Kingsley, former president of New York Life, was president from 1920-22; F. H. Ecker, chairman Metropolitan Life, 1924-26; T. I. Parkinson, president, Equitable Society, 1934-36.

## Washington C. L. U. Activity

WASHINGTON—Twenty-four guests who are interested in preparing for C.L.U. examinations, attended the annual dinner meeting of the C.L.U. chapter with President Roger Baldwin presiding.

Speakers were Lawrence Choate, Mutual Benefit; T. Loehl O'Brien, Massachusetts Mutual; Joseph Marr, Penn Mutual; Lt. J. R. Townsend, Jr., USN.

A conference is scheduled here May 22 for members of the Washington, Baltimore, Richmond, and Charlotte chapters.

## Social Security? Question Insurance Still Can't Answer

NEW YORK—In approaching the problem of social security, there is a great need for more basic, factual information than is now available to either the public or the insurance business itself and the research work in which his organization is engaged is intended to provide such information, E. H. O'Connor, executive director of the Insurance Economics Society of America, told the Insurance Advertising Conference at its spring meeting.

There is every reason to believe that people are anxious to know more about social security, and that they would appreciate an opportunity to judge for themselves whether or not an expanded program of compulsory social insurance is what they want. Such information as they have now almost altogether concerns benefits and other advantages. There is very little solid and thoughtful material, presenting the whole picture, good and bad, negative and positive.

### Business Now "On Spot"

"As insurance men and women, the public, we may as well admit, has us in a spot," Mr. O'Connor said. "It is in a position to ask us questions to which we should have an answer, but we have none. If it is true that everything in our knowledge and experience makes us doubtful that compulsory social insurance programs will be as desirable for America as their advocates would have us believe, can we, on the basis of that knowledge which we now have, and that experience which we have gained, effectively oppose such programs?"

"And if we oppose them by merely stating opinions, and without any real knowledge of social insurance, which is outside our experience, will we achieve anything, other than to convince the public that we are against, not only compulsory social insurance, but social security itself?"

### Can't Ignore Social Trends

It would be a great error, Mr. O'Connor said, to ignore powerful social trends. The pressure for some kind of social security is building up, and that pressure emanates from the people.

The accomplishments of insurance have been for the most part in the nature of specific solutions to specific parts of the problem, never so related to the whole that the public might see

## Perfect Detroit N.A.L.U. Host Setup

George E. Lackey, general agent of Massachusetts Mutual Life, and a past president of the National Association of Life Underwriters, has been named chairman of the executive committee of Detroiters for the N.A.L.U. convention there the week of Sept. 11. Arthur P. Johnson, Great-West Life, is treasurer.

Other members of the executive committee are: John B. Ames, Lincoln National; E. P. Berkema, Northwestern National; Edward J. Dore, Berkshire Life; Lantz L. Mackey, Home Life; Lyman E. Malone, Sun Life; Seth W. Ryan, Penn Mutual; Roy E. Stringer, State Mutual, and the incoming president.

Committee chairmen are: Hotel reservations, Frank M. Minninger, Connecticut General; hospitality, Henry A. Hicks, New York Life, and Frederick A. Smart, Equitable of Iowa; women underwriters, Ruth M. Kelley, Connecticut Mutual; chartered life underwriters, J. Randolph Kennedy, New England Mutual; press and publicity, C. Carroll Otto, Mutual Benefit; sergeant-at-arms, W. M. Milligan, Manufacturers; registration, John Paige, Mutual Life, and Frank L. Klingbell, Prudential; million dollar round table, H. Ben Ruhl, Northwestern Mutual; president's reception and ball, Jay L. Lee, Phoenix Mutual; information, Clyde Manion, Equitable Society, and E. A. Tomlinson, Metropolitan; general agents and managers, Charles A. Macauley, John Hancock; International, Frank W. Simpson, Dominion.

### Gatsch Opens Own Office

Norman E. Gatsch, who resigned recently as Columbus manager of Sun Life of Canada, has opened his own agency in the A. I. U. building. He continues to represent Sun Life. In addition he will represent fire, health and accident, automobile and other casualty companies.

them in that light. It might cite, for example, the outstanding developments in group insurance, salary savings insurance, pension plans, hospitalization plans and in similar fields.

He challenged the contention of supporters of the movement for expansion that only government possesses the initiative and vision necessary to fit the nation's economy to social requirements of the post-war era and declared that, since insurance is definitely a part of American enterprise and has itself an unparalleled record of past achievement, it could be expected to do its part to justifying the continued faith of the American people in the leadership and opportunities provided through the working of free American enterprise.

LITTLE HUMAN TOUCHES MAKE THE GREAT INSTITUTION



## The Story of the Army Doctor's Dilemma

*The army doctor was about to go overseas in the service of his country. Before leaving, he said to his wife . . .*

"My dear, I cannot pay for all these policies on my army salary."

"Of course not," she replied. "Besides, you have your army insurance now."

"But I must keep up all my other insurance I can. Suppose I can not get it again—after the war?"

The question haunted him—what to do? Could he afford even one of the four large policies he had taken out all at the same time four years earlier? And if he could, which?

He saw his life insurance agent. To his surprise, he learned that one of those four policies would keep him insured four more years without taking one cent from his army pay.

"How is that possible?" he asked.

"I told you, when you bought this policy, that this company gave you very liberal cash values even on your first premium. That makes it so valuable now. That carries your insurance for such a long time!"

"And all because of the high cash and loan values?" asked the amazed doctor.

"That's right," said the agent. "Your policy will 'support itself' for the next four years, even if you are at war."

"Well," the doctor exclaimed, greatly relieved, "when a man is in need, he has something when he has your policy!"

**QUESTION:** Which life insurance company gives the policyholder a high cash value, even on the first year premium?

**ANSWER:**

**THE MUTUAL BENEFIT LIFE INSURANCE COMPANY**

NEWARK, NEW JERSEY

(FROM OUR NEW SERIES OF ADVERTISEMENTS IN FORTUNE MAGAZINE)

**The Home of Complete Protection**

- Life
- Accident
- Health
- Annuities
- Hospitalization
- Group
- All-Ways

W. T. GRANT  
President

J. C. HIGDON  
Executive Vice-President

**BUSINESS MEN'S ASSURANCE COMPANY**  
KANSAS CITY, MISSOURI

Centrally Located Serving the Nation from Coast to Coast



## Higher Weekly Indemnity Claims Rate

(CONTINUED FROM PAGE 3)

higher proportion of older men who are working has also increased the claim rate, as the fairly stationary rate up to age 45 starts increasing in a very marked degree over age 50. Since premiums are based on the average age distribution in pre-war industry, the ratio of claims to premiums has gone up.

The lengthened work week has contributed to the increase and there are many more claims for neurasthenia, fatigue and overwork, etc.

### Physical Standards Lower

The lowering of physical standards of employment which is more acute in some sections than others has been a discouraging factor. In one plant employing over 50,000 people where the claim rate has gone sour, the average age of personnel has increased from 24 to 40. Employees are classified by physical standards, "A" being the preferred group and so on down to "D." A year ago the majority were "A" but today more than 50% are in the "D" class. The physician in charge states that 50 to 60% of those now being hired are not life insurance risks, in his opinion. Under the circumstances the doctor sees no hope for improvement of the disability claim rate.

Buyers of group weekly indemnity should realize the factors involved, Mr. Whittaker said, so they can aid in holding down the costs.

Group accidental death and dismemberment coverage presents no problems and is written at a low cost. Claims have not increased despite the increase in occupational hazards.

### Hospitalization Experience Good

Blue Cross hospitalization plans have done an outstanding job where employees are located in one center as their acquisition and claims investigation costs are low. However, Mr. Whittaker feels that group coverage is more desirable for organizations with employees in several sections as the employer gains the benefits from experience rating and having a uniform plan.

Weekly indemnity coverage claim problems have not carried over to hospitalization, the shortage of doctors and nurses and the resulting scarcity of hospital accommodations being partly responsible for a very favorable claim ratio on this coverage. However, the increase in female risks has raised the claim rate and maternity benefits have become so costly that a nine month waiting period has been imposed except on original enrollment. In one case where an employer had on old contract providing immediate maternity benefits and it became known throughout the community, many pregnant women obtained jobs.

There is considerable clean-up work in the first year under surgical coverage and a lot of parents take advantage of the insurance to have their children's tonsils removed but not many adults will submit to a surgical operation merely to be reimbursed.

Mr. Whittaker is not enthusiastic about the new medical reimbursement coverage under current high wage scales when most people can pay doctor bills within a reasonable time. If this coverage is to fulfill a real need the usual \$75 to \$100 limit will have to be extended to take care of bills which would set the employee back financially a long time.

### HOGHAUS SPEAKS

In opening the employee insurance session, R. A. Hoghaus, associate actuary Metropolitan Life, pointed out that the democratic concept of social insurance involves striking a delicate balance between two extremes. Excessive benefits stifle initiative and the spirit to excel and create general indifference and poor citizenship while inadequate benefits

fosters unrest and desire to change the order of things in the hope of obtaining greater security. To strike the right balance is not an easy task.

More emphasis is needed on the principle developed in the Beveridge report, that no scheme of social insurance is satisfactory if there is mass or prolonged unemployment. It is possible to have work without security but not security without regular employment.

Individual and group insurance have their limitations and trouble and dissatisfaction is apt to follow if they are extended beyond their natural functions. Likewise social insurance cannot satisfactorily take care of all the problems which can be solved by individual or group coverage. The three coverages can be looked upon as a three-legged stool of protection with the strength of each leg being designed to fit in with the other two.

### Presents Confused Situation

Health insurance presents a confused situation. There is disagreement as to the need for compulsion and at what level government should administer a compulsory plan. Another alternative is to require or encourage individuals and groups to find or create organizations for themselves.

"It is clear then that in the field of health insurance there is still much unexplored country to be charted, despite all the discussions that have taken place," Mr. Hoghaus pointed out. "Following blindly the precedents of our established governmental plans—old-age or unemployment—or of government plans adopted abroad, will not help us much. It may well be questioned, for example, whether the broad concept that a social minimum of protection against the hazards of life be governmentally provided should be carried over, without modification, from our present cash benefits coverages to the field of medical benefits in kind."

### GOVERNMENT ROLE

"Because of the intimate and personal nature of the service that may be required, it would seem the role of the government in this connection might well be one of greater aloofness, confined to making sure that adequate care will be provided, rather than directly participating in the actual provision. Such direct participation would seem to be appropriate only if no agency, able and willing to take on the task, can be found so that the choice lies between a bare minimum governmentally provided and outright charity or nothing at all."

### Supplementary Coverage

"Group plans supplementing the social security act's survivor and old-age benefits are entirely practical and represent a substantial part of the total protection of American employees. About 12,000,000 employees are covered by group life protection totaling more than 23 billion dollars of insurance. But there are grave doubts as to the possibility of supplementing any government health insurance plans by group insurance on a sound and economical basis. That means that any developments in that field must be alternative, and not supplementary, and they are not free from complications."

"In view of the objections and difficulties with which social insurance would be faced in the health field, the continued growing interest of employers and employees in group disability plans is most encouraging. In this category is included not only plans underwritten by insurance companies, but also other voluntary group plans such as Blue Cross and hospital plans, and many other mutual or self-administered plans of employers and employees. Let us hope that they will continue to grow and expand, as they can provide the flexibility, variation, and decentralization

necessary for desirable protection against a group of hazards which involve individual consideration to a much greater extent than the other major hazards."

Many employers that in the past have been satisfied with group life plans providing up to, say, \$2,000 are recognizing the need of greater coverage for those in the upper salary brackets and are increasing the maximum to whatever maximum is available to the group, said N. E. Horelick, director group annuities Equitable Society.

Another change has been away from the idea that women are less interested in insurance and need less insurance than the male employees who are heads of families. The war has accelerated this change.

Extension of group life protection to pay a modest death benefit on employees' dependents is being considered. While present laws do not permit it this is a logical development of the group life idea, he said.

### Covering Retired Employees

Discussing the knotty problem of continuing group life coverage on retired employees, Mr. Horelick suggested as a reasonable compromise between leaving the retired employee without needed protection and seeing the cost mount unduly by continuing full coverage, the continuance of coverage in a reduced amount, such as \$1,000 or cutting the amount by, say, one-half. He predicted that there would be a trend in this direction.

For the company in war work with

a greatly expanded personnel there arises the problem of providing group protection for temporary personnel. In view of the competitive labor market this seems justified but purely from the administrative standpoint a company which has considerable turnover in the first month or two of employment might well use a one or three months waiting period to avoid the continual setting up and tearing down of insurance records.

### Pension Plans

Discussing pension plans, Mr. Horelick said that the only realistic basis is, what plan will accomplish the management's purpose of setting up an effective retirement system which will permit the automatic elimination of employees at normal retirement age? A plan which does more, as by needlessly duplicating social security benefits, would not be justified, and a plan under which the benefits are so small that employees cannot be retired certainly fails in the objective. In general, all classes of employees should be covered in which there will be an eventual retirement problem for the employer. The majority of plans provide benefits for every employee who remains in service to retirement age.

Mr. Horelick outlined the benefits and cost under a "desirable" type of plan and an "average" plan. He said that under the 1942 revenue act a plan would not be disqualified merely because it covers only the salaried employees or only clerical and office employees—excluding hourly wage employees. But



U. S. Army  
Signal Corps Photo



Two Good  
Investments  
**WAR BONDS  
•  
LIFE  
INSURANCE**

**Tough, daring paratroopers are members of "One Of The Best" units in Uncle Sam's army. They leap often from the skies to surprise the enemy and seize key positions.**

**Among insurance companies, Central Life... with \$187,455,899 insurance in force and \$111.87 in assets for every \$100 in liabilities... also is recognized as "One Of The Best".**

**CENTRAL LIFE**  
ASSURANCE SOCIETY  
(Mutual)  
HOME OFFICE • DES MOINES

## RAINBOW'S END

On December 26, 1924, the Bankers Life Company of Des Moines issued a \$2,500 Life Paid-up-at-Age-Seventy policy, containing Double Indemnity and Income Disability benefits, to a young farmer twenty-four years of age. He had married the preceding October. The young couple reared a family of four children, three girls and one son, and prospered in their farming operations.

\* \* \*

In October, 1940, this policyholder was afflicted with an ailment later diagnosed as Infantile paralysis and drew total disability benefits for thirteen months—each monthly payment amounting to \$25. In addition, two annual premiums, totalling \$115.46, were waived by the Company.

\* \* \*

The policyholder returned to work in March 1942, and the Disability payments were discontinued. Late in November, 1943, the policyholder lost his mother, and two days following her funeral he went to Rochester, Minnesota, to enter the clinic and learn why his health was not improving. The specialists told him to go home and get his affairs in shape because he was going to remain on earth for a very short while. He passed away January 25, 1944. Cause: Cancer of the liver.

\* \* \*

Here are the payments the Bankers Life Company has made on that \$2,500 policy:

### Investment

18 annual premiums, @	
\$57.73 .....	\$1,039.14
Less dividends paid...	160.51
Net investment .....	\$ 878.63

### Returns

Two premiums waived through disability	
Face amount of policy	\$2,500.00
Disability payments to insured .....	325.00
Total .....	\$2,825.00
Deduct investment ...	878.63
Net gain to insured and his estate .....	\$1,946.37
Percentage of net gain—221%	

\* \* \*

**BANKERS Life**  
the Double Duty Dollar Company  
DES MOINES

there is no advantage to an employer in excluding hourly wage employees if he still has retirement problem to solve with respect to these employees.

However, if the turnover on the excluded class is so high that very few reach retirement in the company's service the exclusion of the class is justifiable and is so recognized by the Treasury. Another type of limited eligibility is to limit the plan to those earning more than \$3,000 a year, but he said that such a plan does not adequately solve the retirement problem and is useful only where the employer feels that employees earning less than \$3,000 must depend on social security benefits alone.

Despite the recent trend toward non-contributory pension plans, which are easier for insurance companies because employees need not be signed up, it is Mr. Horelick's opinion that contributory plans are sounder in principle. Employees are more appreciative of a plan in which they share the cost and a more adequate plan, in normal times, can be carried. An organization involving principally salaried workers, however, may find it difficult to install a contributory plan at present and in such cases the employer can carry the cost for a few years until the war is over.

Variations from normal retirement age present a problem, for the treasury department is concerned lest employers show discrimination in permitting earlier retirement age, Mr. Horelick said. It is important, therefore, either to permit earlier retirement without the employer's consent or to limit it to cases of mental or physical disability, or to indicate in some way that employer consent will not be exercised in a discriminatory fashion.

Age 65 rather than 60 or 55 is coming into more general use as the retirement age for women since the adoption of the social security act, Mr. Horelick said.

### Discuss Whether Life Agent Comes Under "Comp" Act

LOS ANGELES—The question of whether a life insurance agent is covered by the workmen's compensation act was discussed at length at a meeting of the Life Insurance Managers Association of Los Angeles. The special committee investigating the subject reported that the question hinges primarily on the terms of the contract or the practice of an individual agency, but advised the managers and general agents to check their workmen's compensation policies to be sure that salesmen or agents are not excluded.

### Report on Wash. Proposals

SEATTLE—Two proposed initiative measures filed in Washington to provide social insurance have been analyzed by the Federated Industries of Washington which estimate that the two programs will cost the taxpayers of the state at least \$290,000,000 a year, or more than \$500 per family or \$145 per person.

Initiative 157, known as the Washington state social security act of 1944, declares "full support to the Wagner-Murray-Dingell bill." It establishes a state social security board and sets up a schedule of unemployment benefits. Old age pensions would be increased to \$50 per month and medical and other benefits would be extended to all relief cases. The other measure, initiative 158, is known as the employment and retirement mutual insurance act.

In removing the need requirements of the present old age pension law, Federated Industries point out, all federal matching funds will be lost. A gross income tax of 3% would be levied upon the income of every person or firm derived from transactions, business or employment. A \$100 per month exemption is provided each taxpayer.

### Paul Revere in Research Bureau

The Sales Research Bureau has voted into membership Paul Revere Life. The total membership is now 133 companies including 104 in the United States, 19 in Canada, and 10 foreign associates.

## Conference Forum to Probe All Social Security Angles

The outstanding feature of the annual meeting of the Health & Accident Underwriters Conference at the Edgewater Beach Hotel, Chicago, May 16-18 will be the open forum on social security, following the address on that subject by M. Albert Linton, president Provident Mutual Life. John M. Powell, president Loyal Protective Life, will preside and will be assisted by W. T. Grant, president Business Men's Assurance; Commissioner Harrington of Massachusetts; C. O. Pauley, secretary Great Northern Life; W. R. Williamson, actuarial consultant Social Security Board, and Harold R. Gordon, conference executive secretary.

Mr. Powell will approach the subject from a broad viewpoint, setting the background for the forum by a brief introductory discussion of the need for protection from loss of income through unemployment, old age, death and disability. Next he will examine the methods and problems involved in meeting these needs through the unemployment compensation act, the old age and survivors' insurance law, and finally the question of health insurance.

### Seventeen Questions Suggested

Inasmuch as this latter problem is one of most significance to accident and health executives, it will be explored most extensively, presenting among others, the following questions:

- (1) What has been the growth of accident and sickness insurance through private insurance companies during the past several years?
- (2) What other forms of protection exist against loss of income while sick?
- (3) Is the need for sickness coverage increasing more rapidly or less rapidly than the rate at which sickness insurance is increasing?
- (4) Does that have any bearing on whether a government plan of sickness insurance should be adopted within the next several years?
- (5) What are the principal arguments put forth by the Social Security Board or others as to why a federal compulsory health insurance plan should be adopted rather than depend upon the extension of health coverage through private channels?
- (6) What are some of the principal arguments that are advocated as to why this field should be left to private companies?
- (7) What effect, if any, do you think the adoption of the compulsory federal health plan would have on the plans now in existence, particularly employee and fraternal associations, and the salary continuance plans?

### Factors in Comparing Costs

(8) In comparing the costs between a federal or a state plan of compulsory health insurance with that of private insurance companies, what factors have to be kept in mind?

(9) Do you think there would be any difference in the promptness with which claim payments were made under a federal health plan as compared with private companies?

(10) How do you think the amount of malingering under a compulsory federal health plan will compare with that under insurance with private companies?

(11) Probably no one would ever argue that any system of health insurance, whether public or private, would be free from many defects. What in your opinion, therefore, are the principal problems which private companies must endeavor to surmount in order to justify the continuance of the handling of health insurance through private insurance rather than through government plans?

### Federal or State Plan?

(12) When and if a government health insurance plan is adopted, do you believe it should be a federal plan with

uniform benefits throughout the country, or do you think state plans administered at state levels are better?

(13) If a state plan were to be adopted, do you believe it should be integrated with the unemployment compensation law or integrated with some other department or be made an independent division?

(14) What has been the experience under the Rhode Island plan up to this time?

(15) Are the arguments any different as regards the adoption by the government of a permanent disability insurance plan as compared with temporary disability benefits?

(16) Mr. Linton has suggested the issuance of permanent disability benefits by the government for the higher ages, say after age 55, may be desirable.

(a) What are some of the principal arguments in favor of such a plan?

(b) What are some of the principal arguments against such a plan?

(17) Do you think a compulsory health insurance plan administered by the government would lead to socialized medicine?

### Northwestern Mutual Does Not Have \$5 Feature

In the article last week reporting the internal revenue bureau's circular on pension trusts, the comment was erroneously made that Northwestern Mutual Life is issuing contracts under pension trust plans providing for \$5 monthly benefits. Northwestern Mutual has never issued contracts with such provision and does not contemplate doing so.

### Slayer-Beneficiary Can't Collect

The beneficiary of a policy may not collect if he or she "feloniously" kills the insured even though the policy may have an incontestable clause, the Alabama supreme court has held. The lower court had awarded \$1,500 under a Protective Life policy to Mrs. Pinkey Linson who was convicted of manslaughter and sentenced to four years imprisonment in connection with the death of her husband.



"It's a minimum \$5,000 Preferred Risk Whole Life contract with first year dividends and second year cash values. At age 35, the gross rate is \$22.99 a thousand. On the basis of our current scale, if dividends are used to reduce premiums, the average annual premium over 20 years is \$18.23 a thousand. Now you can see why the Economaster is easy to sell!"

### GENERAL AMERICAN LIFE INSURANCE COMPANY

WALTER W. HEAD, Pres.

St. Louis, Mo.



## N. Y. Medical Care Plans Merged

NEW YORK—Without a word of discussion of Mayor La Guardia's proposed comprehensive hospitalization and medical care plan, delegates of the New York State Medical Society voted approval of a merger of Community Medical Care and Medical Expense Fund. Community was formed under the auspices of Associated Hospital Service of New York, which is headed by L. H. Pink, former New York insurance superintendent. Medical Expense was organized by the doctors themselves. The merged organization will continue its link with Associated Hospital Service and it is probable that the same sales organization will operate for both A. H. S. and the medical care plan.

Though nothing was said officially about the La Guardia plan, physician's present indicated that negotiations are still under way with the mayor's committee to work out a compromise that will take care of the doctor's single objection to the mayor's plan—the top level of income of those to be included in the plan. The mayor wants it to include all persons earning up to \$5,000 a year. The doctors want the ceiling at \$2,500. There is talk of \$3,000 or \$3,500 as a compromise but it is still uncertain whether a figure can be set that will be satisfactory to both sides.

The mayor has as a club the threat of using the "closed panel," which would mean hiring full time doctors to give service to those in the plan, who would, of course, not have free choice of physician's under their coverage. This would detract greatly from the plan's value, particularly in attracting the better paid prospects, who would be important to the plan's success, since charges are a percentage of payrolls.

The doctors, too, would prefer not to see the closed panel system adopted, for it might be the forerunner of state medicine, and it goes against all the principles

of the medical profession. From the public's point of view the closed panel would be undesirable, for the patient's complete confidence in the doctor is often very important to a cure. There is always the likelihood that a closed panel system would attract those doctors who were unable to make a success in the orthodox way.

The merger of the two groups, to be known as United Medical Services, Inc., will take over the existing policies of both organizations but within a few weeks expects to issue a new contract giving limited coverage along the lines of the very popular surgical benefits sold by group insurers. Then, as rapidly as possible a more comprehensive coverage will be developed to take care of all physician's bills. The doctors are proceeding with caution on this latter coverage because of the lack of actuarial data for guidance.

Mr. Pink expressed the hope that the doctors and the mayor would get together and that United Medical Services would merge with the mayor's proposed plan. Even in the absence of a merger, however, he feels there should be no hostility between the plans and that they might very well complement each other.

## Recall Col. Knox's National Underwriter Days

The death of Col. Frank Knox, Secretary of the Navy, recalls an interesting experience when he was Grand Rapids correspondent of the "Western Underwriter," now THE NATIONAL UNDERWRITER. W. Fred McBain, who was general manager of the old Grand Rapids Fire & Marine, suggested to C. M. Cartwright, then managing editor, that he should have a Grand Rapids correspondent, inasmuch as there was considerable insurance news to be had. Mr. McBain offered to secure a correspondent. He notified Mr. Cartwright that he had got a reporter on the Grand Rapids "Ledger," Frank Knox. Mr. Cartwright in no way identified Frank Knox later with the Col. Frank Knox.

When Col. Knox purchased the Chicago "Daily News," Mr. Cartwright met him one day, he laughed and said, "Well I was on your payroll back in 1898 when Fred McBain got me to be your insurance correspondent. The \$10 or \$15 that you sent me every month helped me out considerably in those days when my salary was not lucrative."

## Formal Resolution for Benson

The Cincinnati Association of Life Underwriters has drafted a formal resolution endorsing Judd C. Benson, Cincinnati manager Union Central Life, for N.A.L.U. trustee. The resolution, drafted by a committee headed by Guy D. Randolph, Cincinnati general agent New England Mutual Life, presented the resolution at the Ohio association meeting in Columbus and the state body added its endorsement. The resolution cites Mr. Benson's extensive activities in the National, Ohio and Cincinnati associations as well as his service with the General Agents & Managers Association of Cincinnati of which Mr. Benson is a past president.

## Assistant Managers' School

The seventh home office school in advanced underwriting for assistant managers of John Hancock district agencies is being held at the home office this week. Some time this year the first home office school in advanced underwriting for agents will be held.

## Women Agents Organize

The first association formed by women agents of a John Hancock district office was organized at Troy, N. Y., under the name of the John Hancock Women's Club. Miss Clara Butcher is president. The club expects to enroll all new women agents as they come into the business. Meetings are held each two weeks. Mrs. Mary Brearton was elected vice-president; Mrs. Frances D. Solano, secretary; and Mrs. Margaret Hanlon, treasurer.

## Ask Advance Registrations for Commissioners' Meet

The reception and registration committee for the annual meeting of the National Association of Insurance Commissioners June 14-17 at the Edgewater Beach Hotel, Chicago, is desirous of obtaining in advance the names of company and association representatives who plan to attend. Registration will be facilitated if the committee can prepare badges and registration cards in advance of the meeting.

All company representatives and others who expect to attend this meeting are requested to send their names and company affiliations to George F. Manzelmann, 209 South La Salle street, Chicago 4, Ill.

## Guardian Campaign Results

NEW YORK—The annual April production campaign of Guardian Life in honor of Agency Vice-president F. F. Weidenborner showed an increase of 17% over last year. A new basis for qualifying was used this year, each agency aiming for an assigned prorata share of its division's production and each division being out to get its prorata share of the entire field's production. Individual agents pledged them-

selves to sell their share of their agency's business.

Manager A. O. Schreiner, Jr., of Los Angeles was the leading producer in volume. Manager R. A. Trubey of Fargo, N. D., led in lives.

## McNair Carries On

TORONTO—It was revealed here that H. D. McNair is acting for a short term as Ontario insurance superintendent, pending the appointment of his successor. Mr. McNair is working both in Montreal, as Canadian manager for Prudential of London, and Toronto.

## Montreal Life Joins L.A.A.

Montreal Life has joined the Life Advertisers Association.

## Union Mutual Study Group

A group of employees of Union Mutual Life has been engaged in the study of course 1, "Principles of Life Insurance," of the Life Office Management Association Institute. Philip B. Grant, manager policyholders' service department, was chairman of the study group, consisting of six men and 13 women. All 19 took the first examination of the course; 11 the second.



If we had any HIGH HATS at Central Life's home office we wouldn't know what to do with them because we are primarily a field man's company. From the President down we have been schooled in the field man's problems and we talk, act and think in terms of the man on the street carrying a rate book.

In selling new business you'll find Central Life's wide variety of policies a decided aid, especially our low cost preferred risk form. Then when you get the application you can depend on clear-the-way service because we know that the only policies that pay commissions are the ones which are delivered.

Operating principally in the middle-west, Central Life is geared to render prompt and sympathetic service to agents in this territory. If you'd like to operate on a one field man to another basis, line-up with Central Life.

★

## CENTRAL LIFE INSURANCE COMPANY

of Illinois

211 W. Wacker Drive, Chicago

ALFRED MacARTHUR, President

That course in life which  
sacrifices an Ultimate  
Good for an Immediate  
Convenience is but the  
Beginning of Sorrow  
and Regret



SINCE 1887  
**Bankers Life**  
**INSURANCE COMPANY**  
OF NEBRASKA

## EDITORIAL COMMENT

### A Prize for Swatting Insurance

Sam O'Neal, Washington correspondent of the Chicago "Sun," was given the professional award of the year for Washington correspondence by the professional journalism fraternity of Sigma Delta Chi, for, as reported by Editor & Publisher, "exposing high pressure tactics employed by stock fire insurance companies to put over congressional legislation to provide additional profits at the expense of the American public."

The only explanation for such a verdict can be that the judges accepted at face value the plank in the Marshall Field publishing program that insurance-racket like, Danyankee shall be spelled as one word. We saw some of Mr. O'Neal's stories at the time. They were based on the assumption that the attorney general's position was unassailably correct and that his adversaries were playing cahoots so as to be able to go out and gouge the public with higher rates. He wrote with the inflammatory touch and much of his material was simply the battle cries of the attorney general's department and a repetition of the pronouncements of the gossip columnists. That the Marshall Field publications should deliver their hardest punches for the attorney general was but natural in view of the A.P. fight.

As far as insurance tactics were concerned in seeking to get passage of the Bailey-Van Nuys bill there was nothing

to expose. The campaign for the bill was conducted by the fire insurance companies entirely in the open, the tracts that were sent out were signed by the National Board of Fire Underwriters. The industry went into action in a determined way to get the support of senators and congressmen for the legislation and there was never at any time any effort to conceal the interests of the fire insurance business in the states rights measure.

Some of the columnists who were siding with the attorney general and perhaps Mr. O'Neal, charged that one or two legislators had been subjected to rather rugged treatment by advocates of the Bailey-Van Nuys bill. We don't know about that. It may be that here and there an over zealous advocate became intemperate and if so that is something to apologize for but we do know that the strategy was honorable, forthright and vigorous in conception and in practice with perhaps a few isolated incidents, if the charges of the columnists are true.

The underlying assumption of the judges must have been that the insurance business is a racket and that any writer who says uncomplimentary things about it is entitled to a prize. That, happily, we are convinced is not, however, the representative opinion of the newspaper business.

have to be filled. War training has not only given men a training that they never had along spiritual and mental lines but it has strengthened and stiffened their physical being. They have

had to endure hardships but if they can stand up under it they will be better prepared to meet vexing problems, exigencies and emergencies that may come up hereafter.

## PERSONAL SIDE OF THE BUSINESS

**Harry J. Stewart**, vice-president and manager of agencies of West Coast Life, is on an eastern trip and on his way back will visit a number of agencies. During his absence the field organization is staging a production drive in honor of his 25th anniversary with the company, under the direction of Otto Langpaap, inspector of agencies. The goal is the largest month since Pearl Harbor.

**James H. Daggett**, executive vice-president of Old Line Life of America, has been named chairman of the United Community & War Fund fall drive in Milwaukee.

**Lester O. Schriver**, Aetna Life, Peoria, Ill., past president of the National Association of Life Underwriters, spoke on "Streamlining Your Philosophy of Life," at the banquet concluding the spring reunion of Wisconsin Scottish Rite Consistory in Milwaukee.

**Bennett Taylor**, vice-president of National Fidelity Life, Kansas City, is being congratulated on the arrival of a grandson, James Rawlings. Mr. Taylor's daughter, Juvata, is the wife of J. W. Rawlings of the navy.

**Arthur M. Collens**, president of Phoenix Mutual Life, has been elected a member of the Hartford board of park commissioners for a term of 10 years.

**Tom S. Kelly** of Omaha recently completed 50 years of representation of Travelers. In the 80th anniversary personal accident campaign of Travelers, which was conducted over an 80-day period, Mr. Kelly stood fourth in the country-wide listing.

and managing director as well in 1928. He was president of the Eastern Canada Steel & Iron Works and of B. Leonard, Reg.

**Lincoln A. Griffin**, 77, who served 28 years as a supervisor for Lincoln National Life, died suddenly in Cleveland. In recent years he had lived in Columbus.

**Charles P. Carter**, 74, with Connecticut Mutual at its home office for 50 years, died at his home in Glastonbury, Conn. His first job was in its mailing division, but he was later transferred to the farm loan department. He was appointed supervisor of farm loans in 1928. He retired in 1941, on his 50th anniversary.

**Dr. Edgar H. Albers**, 52, chief medical referee in Chicago for John Hancock Mutual Life, died. He had maintained his offices in the W. M. Houze agency of John Hancock for 17 years and had been an examiner for the company for 19 years. In addition he examined for many other companies and was one of the leading examiners in the city. He was engaged in that work on a full time basis and was well regarded and liked.

**E. H. Anderson**, 80, who had the longest continuous service record of any agent of Northwestern Mutual Life with 58 years, died at Topeka, Kan. Mr. Anderson became a district agent in 1886 at Emporia under the then E. W. Poindexter general agency, and in 1891 moved the district agency to Topeka when the general agency went to Kansas City. He took a special agent's contract in 1935 and retired from active duty in 1942, at the age of 78.

**Clarence Schram**, 76, father of Lauren Schram, vice-president of Western & Southern Life, died. He was a former Metropolitan Life manager, having served that company from 1894 to 1930.

## DEATHS

**Judah P. Bowerman**, 86, who retired about eight years ago after having been actuary for 30 years of George Washington Life of Charleston, W. Va., died at Pasadena, Cal. He was the father of **Walter G. Bowerman**, assistant actuary of New York Life. Before joining George Washington Life in 1906 Mr. Bowerman was a special agent of Provident Mutual in New York for many years. He was born in Canada and spent some time in Australasia as a young man.

A fellow of the American Institute of Actuaries, Mr. Bowerman was perhaps unique in that he went into the actuarial field after being a successful agent, combining sales ability with a genuine devotion to mathematics and actuarial science. In addition to his son Walter he is survived by three sons and a daughter, none of whom, however is connected with insurance.

**J. K. Leonard**, 72, president and managing director of Industrial Life, Quebec, Canada, died there after a long illness. He was elected a director of the company in 1905 when it was founded by the late Bernard Leonard, his father. He became president in 1922

### Middle Income Class Good Post War Prospects

A predicted price level after the war 25% higher than in pre-war days would mean that the white collar class would need more life insurance, Richard E. Myer, manager of Mutual Life in New York, told members of the Harrisburg agency at the agency's tenth anniversary meeting. He prophesied that after the war the salary savings plan, coordinated with social security, will offer unlimited opportunity for the sale of insurance to the enlarged middle income class.

The Harrisburg agency of the Mutual Life was established in 1934 by Mr. Myer as manager, with F. I. Neiderer as agency organizer. The latter became manager in 1941.

Aaron C. Hottenstein and Miss Carrie A. Babb were accorded special production honors in connection with the anniversary.

### War Course for Young Men

Undoubtedly there will be a magnificent opportunity for young men who are in military or naval service to become well located when the hostilities are over. A war is a horrible catastrophe in whatever way we view it. However, there are certain aspects that are interesting and have a tendency to strengthen men.

A young man goes from the insurance business and joins the armed forces. He may have had a good high school education and he may have had four years or less in college. He was going along in his work in a steady way. Now he is thrust in an entirely different environment. He is subject to discipline, regulation, regimentation. He has to obey. There are every day demands that strengthen him if he has a healthy and wholesome spirit and mind. He is thrown with men of all classes and he learns how to deal with them. He becomes a much keener and more accurate student of human nature.

It may be that he is given an assign-

ment of teaching some special procedure in the war. He may have supervision over other men. He learns how to treat men with whom he is connected in a human way. He is learning to be a boss. These experiences are setting him forward a number of years. He probably already is six years ahead of what he was when he was back in insurance.

When these young men who have been tried seriously and not found wanting return, they will be valuable persons in the business. They will be better salesmen, better executives, better supervisors, better underwriters, have a broader view of life and a more complete and accurate understanding of men. There are men who have gone through this war course who have not been in the insurance business but probably have some ambition to join the ranks. Certainly there will be an overwhelming demand for the right kind of young men.

Today the younger ranks are despoiled. There are many gaps that will



## THE NATIONAL UNDERWRITER

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO 4, ILL. Telephone Wabash 2704.

EDITORIAL DEPT.: C. M. Cartwright, Editor. Levering Cartwright, Managing Editor. News Editor: George E. Wohlgenuth. Assistant Editor: Dorothy B. Paul. Editorial Assistant: Business Dept.: N. V. Paul, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor, Kenneth Force.

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**LIFE INSURANCE EDITION**  
PUBLISHED EVERY FRIDAY

**CHICAGO 4, ILL.** Telephone Wabash 2704.

**BUSINESS DEPT.:** John F. Wohlgenuth, President. Howard J. Burridge, Vice-President and Secretary. John Z. Herschede, Treasurer.

**PHILADELPHIA 9, PA.**—123 S. Broad Street, Room 1127. Tel. Pennypacker 3706. E. H. Fredrikson, Resident Mgr.

**SAN FRANCISCO 4, CAL.**—507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Resident Manager. Miss A. V. Bowyer, Pacific Coast Editor.

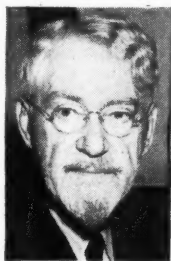


## NEWS OF THE COMPANIES

### Veteran Medical Head Retires

The retirement of Dr. Olin M. Eakins, for 35 years head of the medical department of Reliance Life, is announced. He will continue to serve as a director.

The work of the medical department will be directed by Dr. William W. Hobson, with Reliance 28 years, and Dr. John L. Humphreys, with the company seven years, who were appointed medical directors in January, 1943.



Dr. O. M. Eakins

Dr. Eakins was born in 1874 at Warren, N. H., and educated at Harvard and College of Physicians & Surgeons, Columbia University. He was an assistant surgeon in the navy for two years.

In 1901, he went to Calcutta as chief medical officer of the southern Asiatic division of New York Life and served as vice and deputy consul general at Calcutta from 1904 to 1909 when he went to Pittsburgh as medical director of Reliance Life.

He was elected a director of the company in 1925, vice-president in 1926 and from 1935 to 1943 also was secretary.

### A. L. Buckman Actuary of Beneficial Standard Life

Beneficial Standard Life of Los Angeles has elected Alfred L. Buckman vice-president and actuary to take charge of the ordinary and group department operations. Mr. Buckman is a fellow of both the Actuarial Society of America and American Institute of Actuaries. He was with Occidental Life of California for more than 10 years.

Before entering the insurance business, Mr. Buckman was an instructor in mathematics at Long Beach Junior College and at the University of California.

### Great-West Life Passes \$800 Million in Force

Business in force of Great West Life passed the \$800 million mark on the first business day in May. During the past 12 months the business in force figure has increased by \$85 million.

### Examiners Have Praise for Northwestern National

Northwestern National Life has shown notable gains in insurance in force, assets and surplus funds, according to the report of an examination as at Dec. 31, 1943 by Minnesota, California, Ohio and Wyoming. The examiners state there has been a significant improvement in persistency following adoption of the new plan of agents compensation. The experience of the past three years has been very favorable and the substantial insurance gains have enabled Northwestern National to effect a strengthening of reserves and a considerable increase in contingency reserves to provide against decreasing interest rates and possible future adverse experience.

The valuation of assets is conservative. All policy obligations are met promptly and equitably. Despite war time difficulties, Northwestern National was able to complete its annual statement as promptly as in the past and with no significant loss of accuracy.

Assets were \$103,035,597, capital \$1,650,000 and net surplus \$2,909,742. In

addition there is a special contingency reserve of \$2,612,719 and general contingency reserve of \$700,000.

The examiners state that the basis of allocation used in separating accounts between the mutual and stock branches of the business results in a high degree of refinement.

### Wisconsin National's Gains

New life business of Wisconsin National Life increased 35.2% in the first four months over the corresponding period last year. The increase in 1943 over 1942 was 51.1%.

Its accident and health business increased 87.5% in the first four months over the same period last year and premium collections were up 35.2%. The 1943 increase in new business over 1942 in that department was 54.8%, with premium collections increasing 24.2%.

Last year was the best in the history of the company and the records so far in 1944 represent the best one-third year in both departments.

### Pacific National Gains

Pacific National Life of Salt Lake City showed a 20% increase in new business in 1943 and a 14% gain in insurance in force. Assets were up 20%, and surplus and contingent reserves 51%.

Assets of the company on Dec. 31 were 127% of liabilities. The holdings of U. S. bonds represented 30% of assets.

### Fulton Assistant Treasurer

J. Wendell Fulton, for six years bond analyst of Ohio State Life, has been elected assistant treasurer.

### Dr. J. L. Siner Is Retiring

Fidelity Mutual Life has announced the resignation of Medical Director Joseph L. Siner. For some time Dr. Siner has felt that his health was impaired by continued residence in Philadelphia so he will move to Florida, where he has purchased a home. He joined Fidelity in 1924 and a year later was elected assistant medical director. In 1931 he was elected to his present post. Before going with Fidelity, Dr. Siner spent 13 years in the army medical corps, holding the rank of a colonel.

## CHICAGO

### RELiance LIFE MOVES IN CHICAGO

The Illinois department office of Reliance Life in Chicago, under William C. Peck, manager, has moved to new quarters in 1423 Conway building. In May, the company's 41st anniversary month, every agent is trying for a minimum of \$41,000 written business. April volume increased more than 100% over April, 1943.

### CHICAGO DIVISIONS' PROGRAMS

Several divisions of the Chicago Association of Life Underwriters have activities scheduled for this month. The Group Supervisors May 22 will hold an informal exchange of ideas. May 23, the Women's Division will meet with the new officers and members of the executive committee will tell their sales methods in three-minute talks. Those on the program are Ivah W. Pearson, Equitable Society, division chairman; Hester Bone Phelan, Equitable Society, retiring chairman; Louise Scott Kongsberg, Massachusetts Mutual; Sarah E. Purdum, New York Life; Edna Kaufmann, Penn Mutual; Mildred A. Thurston, John Hancock, and Dorothy Wilson, Fidelity Mutual. The Life Agency Cashiers also will meet May 23, as host to the Milwaukee Cashiers at a dinner meeting which will be addressed by Newell C. Day, general agent Equitable Life of Iowa, Davenport, on "Meet the

Cashier." The Life Agency Managers will hear Judd C. Benson, manager home office agency of Union Central Life, Cincinnati, June 6, on "Social Security."

### GUARDIAN LIFE PARLEY

Thirteen managers of Guardian Life attended a four-day session in Chicago this week with a number of head office people including Jack Slattery, agency director western division; Beatrice Jones, head of the women's division; Daniel Lyons, assistant actuary, and Curtis Evans of the underwriting department. A number of the sessions were conducted by Gus Campbell, who is an expert in sales psychology.

### WELCOME FOR JAMISON, PHELPS

B. J. Stumm, general agent for Illinois territory outside of Chicago with headquarters at Aurora, was host at a cocktail party and dinner at Chicago Monday for John H. Jamison and Nelson Phelps, who have just succeeded to the Hobart & Oates agency of Northwestern Mutual in that city. The group included a number of the leading general agents and managers of other companies in the city; L. J. Evans, assistant agency director at the head office; John O. Todd, also Northwestern Mutual general agent in Chicago, and Tom

Lauer, prominent Northwestern Mutual agent at Joliet. Words of greetings were spoken by each one at the table and the new general agents responded graciously.

Mr. Stumm's agency is ahead of last year by 70%.

### Chicago Claim Group Elects Adler

The Chicago Claim Association at its annual meeting elected E. O. Adler, Mutual Life, president; Charles W. Grady, Metropolitan Life, vice-president; G. T. Delahunty, Alliance Life, treasurer; Miss Gene Walsh, Federal Life, secretary; and K. L. Merley, Federal Life, chairman, and Ray Pearson, Prudential, and Bernard Sachar, Sterling, members of the executive committee.

J. F. Kutak, vice-president and general counsel of Guarantee Reserve Life, Hammond, Ind., discussed "Claim Adjusting and Government Supervision."

### Gidel Agency Organizer

Harry E. Gidel, who has been district manager at Decatur, Ill., for Mutual Life, has been appointed agency organizer by John L. Taylor, manager at Springfield, Ill. Mr. Gidel has been with Mutual Life since 1937. He was on the Chicago sales congress program in 1942.

We Need  
10 KEY MEN as General Agents  
to complete our  
Expansion Program for 1944

IF you are a resident of or interested in any of these towns  
AND CAN QUALIFY, we want to discuss our plan  
with you.

CORPUS CHRISTI, TEXAS  
LUBBOCK, TEXAS  
OKLAHOMA CITY, OKLAHOMA  
GALESBURG, ILLINOIS  
GRAND RAPIDS, MICHIGAN  
HASTINGS, NEBRASKA  
TOPEKA, KANSAS  
SALINA, KANSAS  
SACRAMENTO, CALIFORNIA  
SANTA ANA, CALIFORNIA

Our BUILDERS-OF-MEN PLAN is a proven medium for  
successful development. Check the compendiums, then tell  
us WHY you are interested.

A. B. Olson, Agency Vice-President

Guarantee Mutual Life Company  
Organized 1901  
OMAHA, NEBRASKA

## LIFE AGENCY CHANGES

### Manhattan Names Buffalo, Brooklyn General Agents

Manhattan Life has appointed Herman E. Reinis general agent for Brooklyn, with headquarters at 50 Court street. He was formerly associate general agent of the Charles V. Cromwell agency of Manhattan. In 1937 he was one of the organizers and first secretary of the Life Supervisors of Brooklyn, which office he still holds. He is chairman of the war effort committee of the Life Supervisors of New York. Mr. Reinis entered the business in 1923.

Manhattan Life has appointed Bernard B. Hoffman general agent for Buffalo, with offices in the Brisbane building. He has been engaged in the business for 15 years, and for the past eight years was with Prudential. He is a graduate of Columbia, has a master's degree from Harvard and also attended Yale. He is a C.L.U.

### McAllister Sacramento G. A.

C. R. McAllister has been appointed general agent of Lincoln National Life in Sacramento, Cal.

### E. R. Pray Transferred to Los Angeles, Five Promoted

Everett R. Pray, Traveler's manager at Phoenix, Ariz., has been appointed assistant manager in Los Angeles. Ivan V. Larson has been placed in charge in Phoenix for the time being.

Five field assistants in the life department have been promoted to be assistant managers: Reynolds E. Moulton at Portland, Me.; William W. Frost, Duluth; Graham C. Myrick, Houston; Harold B. Bullenkamp, 55 John street, New York City; and George B. Wilson, Winnipeg.

R. John Bundrock, who recently was released from military service, has been reappointed field assistant in the life department in Newark.

### Donnelly Sacramento Supervisor

C. Richard Donnelly has been appointed supervisor of the Sacramento branch office of Occidental Life of California. He succeeds Ralph Scott, now assistant manager in the home office agency.

Mr. Donnelly entered the life insurance

business with Prudential in Omaha in 1918. He served as agency director for northern California of Northern Life and district manager of Equitable Society, and started his own agency in 1941, writing general lines. He is a former president of the Stockton Life Underwriters Association.

### Utter Retires After 52 Years; Pomeroy Successor

After 52 years of service with the company, Archie C. Utter, general agent of New England Mutual Life in Detroit, will retire July 1 at the age of 70. Fraser E. Pomeroy, first assistant in the Utter agency for 10 years, will succeed him as head of the Michigan agency, New England's fourth largest general agency.

Mr. Utter became general agent in Detroit, in 1904. He has been an agent of the company since 1892. He has multiplied the agency's volume many times over. He served as president of the Detroit Life Underwriters Association and has been active for many years in the Associated Life General Agents & Managers.

Mr. Pomeroy joined the Utter agency as an agent in 1929 and in 1934 became first assistant. He served two terms as secretary of the Detroit Life Underwriters Association and is now a director.

### Klusmeier Retires as South Bend Manager

William Klusmeier has retired as South Bend manager of Western & Southern Life. He has been one of its leading managers and has been a prominent figure in life underwriter affairs. His health has been poor. He has been with W. & S. 30 years. He will serve as contributing editor to "Field News" of Western & Southern.

### F. H. Bell Columbia Manager

Frank H. Bell has been appointed manager of Security Life & Trust at Columbia, S. C., succeeding Ted Tharin, who has become a second lieutenant in the marines. Mr. Bell was with Jefferson Standard Life for 15 years before going with Security L. & T. He has been in life insurance 18 years.

### Carlston Assistant Manager

Milo Carlston has been promoted to assistant manager in the Salt Lake City ordinary agency of Prudential. Mr. Carlston has been a Prudential man since 1941. The next year he was named agency assistant.

### Jannuzi D. of C. Supervisor

Frank H. Jannuzi has been appointed supervisor of Fidelity Mutual Life in Washington, D. C. He has been for 10 years with Fidelity Mutual in Pittsburgh.

### Hoover Nebraska Director

V. R. Hoover of Lincoln, Neb., has been appointed state director of the State Farm companies, succeeding the late E. A. Tyler, who held that post for nearly 18 years.

Mr. Hoover started with the companies as clerk in the state agency in 1928. He has been assistant state director since 1939.

Clare F. Kerr has been promoted to managership of the Riverside, Cal., district of Unity Mutual Life & Accident. He has been with the company since 1939.

### Ohio Insurance Bar Meets

Charles E. Curtis, general counsel of Ohio Farmers, is presiding at the insurance law section meeting of the Ohio Bar Association in Columbus. In addition to the suggestions by Superintendent Crabbe for recodification of the insurance laws, W. E. Knepper of Columbus, will give a review of cases,

## SALES MEETS

### D. F. Denton Heads Fidelity Mutual Life Managers Group

PHILADELPHIA—Donald F. Denton, Topeka, was elected president of the Managers Association of Fidelity Mutual Life at the three-day conference at the home office. George A. Hatzes, Washington, D. C., is vice-president; and E. Clare Weber, Cleveland, secretary-treasurer. Directors are: James H. Brennan, Chicago; W. Stanton Hale, Atlanta; Carroll H. Jones, Columbia, S. C.; Maynard Alexander, Wilmington, Del.; J. H. Pickett, Louisville; and William O. Cord, Dayton, O.

Recruiting and training problems and sales methods featured the gathering attended by 60 managers. Calvin L. Pontius, manager of agencies was in charge, assisted by L. J. Doolin, assistant manager of agencies.

Mr. Doolin conducted a training forum in which Mr. Hatzes; H. M. Krebs, Buffalo; N. G. Caputi, Providence; E. H. Schaeffer, Harrisburg, Pa.; and Mr. Hale, participated. Mr. Pontius spoke on "You Are in Business for Yourself," and Frank H. Sykes, executive vice-president, answered the question, "What Is Your Franchise Worth?" by illustrations of what it has meant in dollars and cents not only to the more successful among Fidelity managers but to the rank and file of those holding the franchise over the years.

### Roberts Reviews Year

President E. A. Roberts ably covered his first year with Fidelity by a detailed account of what had been accomplished in eight major phases of operation.

Mr. Pontius opened the second day's session with a discussion of training to recruiting trends. Glenn A. Stearns, supervisor of agencies, spoke on "Organizing Yourself for Recruiting." A recruiting clinic was then conducted by Mr. Doolin. Participants included Mr. Hatzes, Mr. Krebs, Mr. Caputi, Mr. Schaeffer, R. R. Bisbing, Allentown, Pa. and G. K. Harris, Detroit.

"Recruiting in 1944" was outlined by B. N. Woodson, Sales Research Bureau. He later discussed "Financing the New Agent."

C. T. Feddeman, agency assistant outlined Fidelity's salary plus commission plan, while W. J. Cummins, supervisor of agencies, presented "Recruiting the Ex-Service Man." Mr. Pontius summarized the discussion on recruiting and released a new booklet, "Where Do We Go from Here?" designed to interest the prospective agent. Mr. Brennan discussed "The Manager's Point of View."

### Hale Is Toastmaster

Over 100 attended a dinner for the visiting managers, with Mr. Hale as toastmaster.

Mr. Pontius set the stage for the sales panel at the final session. Sales ideas and methods were presented by H. T. Dillon, Atlanta; J. T. Flanagan, St. Paul; W. Z. Robinson, Seattle; C. K. Gordy, New Haven, and I. A. Kelly III, New York.

William King, St. Louis, spoke on "Fixing the Problem," defining the opportunities and challenges of life insurance. He declared that the universal desire to own property imposes certain costs but that life insurance offers the easiest terms.

A round table on pension trusts and business insurance was led by Mr. Kelly, assisted by Mr. Dillon, Mr. Denton, Mr. King, Mr. Gordy, Mr. Schaeffer, Mr. Harris, and Mr. Weber.

### Present New Penn Mutual Plan

The Kansas agency of Penn Mutual Life met in Wichita under the direction of General Agent Paul Jernigan to receive information on the new "Prograph"

THE NEW INSURANCE  
**MONEY MAKER**  
issued by the  
ILLINOIS BANKERS LIFE ASSURANCE  
COMPANY

## THE INCOME BUILDER

1. We have a NEW PLAN to enable you to make more money in these times.
2. ONE-TENTH THE SALES, through large first commissions and large renewal commissions will return you TEN TIMES the earnings of the same volume of life insurance alone under our plan.
3. IN ONE YEAR, you build as large a renewal income as you would in ten years writing the life insurance alone under our plan.
4. This Insurance Pays All Ways:

If you live too long.  
If you do not live long enough.  
If you are disabled.  
If you have an emergency need for cash.  
ALL AT EXCEEDINGLY LOW COST.

HUGH D. HART  
Vice President and Director of Agencies

**Illinois Bankers Life  
Assurance Company**  
MONMOUTH, ILLINOIS

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Institute," first presented to a group of 12 general agents at a meeting in Cleveland.

### New York Life Conference

Agency directors of New York Life will hold a conference in New York, May 15-19.

### Confer at Stillwater, Minn.

A group of district managers of Northwestern National Life held a four-day conference at Stillwater, Minn., with W. R. Jenkins, sales director, and W. F. Grantges, agency director, in charge.

**Business Men's Assurance** salesmen under the supervision of O. K. Johnson, New Mexico manager, met in Albuquerque. J. W. Saylor, assistant vice-president, represented the home office. The Albuquerque branch—established the first of this year—has been making an outstanding record.

## POLICIES

### Provident Mutual Has New Policy

Provident Mutual recently brought out a new policy called retirement life income. This provides \$10 monthly life income, guaranteed for 120 months at attained age 60 or 65. Annuity may elect to begin income at an earlier age or defer it for five additional years.

Death benefit prior to maturity is the amount of cash value at the end of the contract year in which death occurs, less discount at 2 1/4% yearly interest from the date of death to the anniversary, and less any unpaid portion of the premium for the contract year. In no case will death benefit be less than premiums paid. The policy is participating to maturity and shares in excess interest earnings during the 120 months certain period.

The automatic non-forfeiture feature is a paid-up policy, but insured may settle for cash or an immediate income. Waiver of premium disability benefit may be added.

The annual premiums to provide \$10 monthly life income are:

Age	Male	Male	Female	Female
5.....	\$ 14.95	\$ 19.62	\$ 16.80	\$ 21.95
10.....	17.47	23.10	19.62	25.84
15.....	20.56	27.39	23.10	30.64
20.....	24.38	32.85	27.39	36.75
25.....	28.52	38.42	32.85	43.17
30.....	33.18	44.17	38.42	50.00
35.....	38.37	50.14	44.17	57.25
40.....	44.10	56.44	50.14	64.95
45.....	50.47	63.10	56.44	73.10
50.....	57.48	70.17	63.10	81.70
55.....	65.15	77.68	70.17	90.75
60.....	73.48	85.62	77.68	100.25
65.....	82.48	94.00	85.62	110.20
70.....	92.15	102.82	94.00	120.60
75.....	102.50	112.07	102.82	131.45
80.....	113.53	121.75	112.07	142.75
85.....	125.25	131.87	121.75	154.50
90.....	137.65	142.42	131.87	166.70
95.....	150.75	153.42	142.42	179.35
100.....	164.55	164.87	153.42	192.45

### Revise Plan Change Clause in Conn. Mutual Policies

Connecticut Mutual plans to make a new edition of its policy contract with a revised plan change clause effective June 19. The new clause bases the cost to change the plan on the difference in reserves with an addition of 5% of such difference. These additional changes will be made in the new edition: Option 2 (Form T) has been extended to in-

clude a life income with five years certain and a life income with 100 months certain. In regular life and endowment policies there will be two special options at maturity as an endowment, or surrender for the cash value—an installment refund annuity and a joint and 2/3 survivor annuity, 100 months certain, hereto available only by special agreement. The single premium insurance and annuity option which is now in the R. I. E., A. I. E. and income endowment policies has been discontinued. There is no change in optional settlement rates.

### Prudential Announces New Juvenile Industrial Forms

Prudential has announced two weekly premium industrial infantile policies to be issued for ultimate amounts of \$500. They are life paid-up at 65 and 20 payment life. Death benefits are graded, being \$50 the first three months, \$100 balance of first year, increasing \$100 for each year of age to \$500 age 5 for all places of operation except New York state where death benefit remains \$400 ages 4 to 10, thereafter \$500.

The weekly premiums outside New York are: Life paid-up at 65, ages 1, 2 and 3, \$0.18; ages 4, 5, 6, 7, \$0.19; 8, \$0.20; 9, \$0.21. 20 payment life, 1 to 3, \$0.31; 4 to 6, \$0.32; 7 and 8, \$0.33; 9, \$0.34. Rates for New York state are: Life paid-up at 65, 1 to 4, \$0.18; 5 to 7, \$0.19; 8 and 9, \$0.20; 10, \$0.21. 20 payment life, 1 to 4, \$0.31; 5 and 6, \$0.32; 7 and 8, \$0.33; 9 and 10, \$0.34.

## ASSOCIATIONS

### Business Cover Discussions to Feature Iowa Meet

DES MOINES—"Business Insurance, the Key to Modern Underwriting" will be the theme of the annual sales congress of the Iowa State Association of Life Underwriters here May 26-27.

The state association will hold its annual business meeting and election of officers at 3 p.m. May 26, followed by the annual dinner at which President Virgil M. Hancher of University of Iowa will give the principal address. Awards will be presented to life members of the Iowa Quarter Million Round Table.

The Quarter-Million Dollar Round Table will hold a business meeting May 26, 9 a. m., George H. Schumacher, Massachusetts Mutual Life, Cleveland, a life member of the Million Dollar Round Table, will speak. An open forum will be held in the afternoon.

H. P. Gravengaard, associate editor Diamond Life Bulletins published by THE NATIONAL UNDERWRITER, will be in charge of the sales congress May 27, assisted by T. H. Tomlinson, assistant superintendent of agencies in charge of education for Bankers Life of Iowa. Presentations will include: "Key Man Insurance," "Sole Proprietors," "Close Corporation," and "Partnership."

### Hickman Is Utah President; Notable Congress Staged

SALT LAKE CITY—Following its sales congress here, the State Association of Life Underwriters elected these officers: President, Othello Hickman, Pacific National Life, Logan, succeeding A. M. Jacobs, Provo; vice-president, Max Rasmussen, Salt Lake, Metropolitan Life; secretary-treasurer, Melvin B. Squires, Logan, Metropolitan Life.

About 200 agents registered, the local associations of Logan, Ogden, Provo and Salt Lake being well represented. D.

Ford Crandall, Salt Lake, manager Metropolitan Life, was chairman for the Congress. In his address of welcome President Jacobs traced the history of the Utah association, and paid tribute to its founders, several of whom were present and were given special recognition.

O. J. Lacy, president California-Western States Life, speaking on "The Common Things of Life," said success, happiness, peace, contentment all come from doing the common things of life uncommonly well. "By training and proficiency we are able to do them unusually well, so that when opportunity



## The Sledding is Hard—

for most new businesses until they become established. So financial backing is available to help personal producing general agents get started as well as the services of a paid Home Office supervisor. Plus organized selling plans on both par and non-par basis. Yes, there is a Retirement Pension Plan, too.

Some choice locations open in California, Oregon, Washington, Idaho, Montana, Utah and Wyoming for general agents who can qualify as personal producers. Check our Financial Statement.

## WESTERN LIFE INSURANCE COMPANY

Since 1910

Assets \$19,411,479.95  
Surplus to Policyholders \$2,650,000

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R. B. RICHARDSON  
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Agency Vice President

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HOME OFFICE  
CHICAGO



FIELD BUILDING  
ILLINOIS

"As Faithful as Old Faithful"

39 YEARS OF CONTINUOUS MANAGEMENT

SOUND AND STEADY PROGRESS

End of Year	Admitted Assets	Liabilities	Surplus
1905	\$ 446,220	\$ 108,836	\$ 337,384
1910	974,468	481,053	493,415
1915	2,110,281	1,556,160	554,121
1920	5,939,063	5,565,328	373,735
1925	15,111,294	14,377,306	733,988
1930	28,649,162	27,244,473	1,404,689
1935	35,053,788	32,522,281	2,531,507
1940	49,533,619	45,998,673	3,534,946
1941	53,230,450	49,393,145	3,837,305
1942	57,536,711	53,152,256	4,384,454
1943	63,352,104	58,331,903	5,020,200

INSURANCE IN FORCE, \$221,080,229

Nothing Better in Life Insurance

does come it finds us at the level of our preparation for it."

Sterling W. Sill, Salt Lake, inspector of agencies of New York Life, spoke on "Life Insurance Productivity." The fact that one may have been a good life insurance man yesterday may not necessarily mean that he will be a good life insurance man tomorrow, he said. The law of gravitation is not confined in its operation to a world of substance. There is also a law of gravitation in selling. "Release your grip on your former industry, and you will sink to a lower level of performance."

H. J. Syphus, former superintendent of agents of Beneficial Life, and recently made general agent in Salt Lake City, said the change from home office to field had put him on the spot. He said that while new problems themselves have appeared in new form from time to time, basically these problems have changed

but little, and the underlying principles of life insurance have not changed. The needed benefits of life insurance represent inescapable costs. Paying premiums on life insurance is not the real problem. Actually it is the solution to many of life's major problems.

#### Marcusen Luncheon Speaker

President Carl R. Marcusen of Pacific National Life spoke at the luncheon on "The Will to Win." Special guests included Mayor Glade of Salt Lake City, Commissioner Carlson and Deputy Commissioner Garff. Mr. Marcusen said the next 14 or 15 years will be equal in importance to the period during the constitutional convention. "Though the next period will be critical we'll survive the crisis, and then progress will be substantial and we'll go forward." He advised agents against arguing controversial questions with their prospects,

"for in so doing you might win an argument and lose a sale."

In the afternoon Lee Cannon, vice-president Western Life, spoke on "Future Profits from Past Experiences," O. J. Beaudin, superintendent of agencies, California-Western States Life, "The Best Investment for the Average Man" and Jack W. Lawrence, Salt Lake City manager Prudential, "The Ten Talent Man." Mr. Cannon advised agents to "step up your personal efficiency by seeing more people every day, the right kind of people, giving them the true message of life insurance."

Mr. Beaudin said that in selling life insurance the same principles apply today as a half century ago. "Life insurance is the best investment the average man can make," he declared, "and it is our mission to bring the message home to those who are unable to see things from the proper angle." Mr. Lawrence used as his text the parable of the man who called his servants together and delivered to them his property, each according to his ability to handle it. "It is the use of the talents given us that counts," he said, "not the number of talents we possess."

#### Northern California Caravan Featured in Los Angeles

LOS ANGELES—Six members of the northern California caravan of the Life Underwriters Association of San Francisco were among the speakers at the sales congress of the Los Angeles Association with about 700 in attendance.

Paul Zerrahn, manager estate planning division Phoenix Mutual Life, opened the session with his talk on "Have You a Plan?"

Dewey R. Mason, well known as an association and congress speaker, now general agent of Occidental Life of California at Riverside, Cal., made a big hit with his talk on "Let's Decide." He said many men give up the v-o-c-a-t-i-o-n of selling life insurance to take up the avocation of debating. Things not to do which he listed include: Lecture the prospect on details of his business which are none of the agent's business; get technical; brush up on the company but not give it co-operation; talk of the problem of inflation, and overlook the obvious. Many life men live in the past, he said. They have lost a lot, but haven't lost anything they cannot regain if they want it badly enough and will work for it.

Napoleon Hill, author, talked on "How to Make the Million Dollar Round Table," offering a number of success recipes.

Charles E. Driver, representing the Treasury Department, spoke on the fifth war loan, which is to be inaugurated June 15.

The San Francisco visitors had the entire afternoon program. Edwin T. Golden, caravan chairman, was in charge. Gordon Coryell talked on "Good Fellowship Pays"; J. Wayland Barnette, "There's Gold in Them Thar Records"; Erle L. Collins, "Doing Something About Love"; Mrs. Lucile A. Collins, "Homemaker—Businessmaker," and Ralph J. McGill, "Winners Never Quit—Quitters Never Win."

Mr. Golden concluded the program with a plea for increased membership in and support of the National association of Life Underwriters, so that it can have some weight in legislative and national affairs.

#### Illinois Associations Are Active in the Month

Illinois local associations were active in the last month. President H. A. Hedges, National association, spoke at Quincy where he started in life insurance in 1919, and also at Decatur. At the latter city it was announced 1,000 copies of "Life Insurance Dollars in Action" were placed at the disposal of the teaching staff of the junior and senior high schools as a present from the Decatur association. W. B. Buckley,

Mt. Vernon, retiring state association president, also talked at Decatur.

Raymond Olson, president Mutual Trust Life, spoke on "Today's Market" before the LaSalle county and Rockford associations. He presented data on age groups, stating that the business could be divided into five classes, family protection, juvenile, women, business and mortgage. Harold Baird, agent of Metropolitan Life at Bunker Hill, spoke on "Tested Methods of Attack" at Springfield, the talk he gave at the Chicago sales congress.

Marion S. Burke, assistant director Illinois department, addressed the Bloomington-Normal association on the Wagner-Murray-Dingell bill in Congress and Acting Director N. P. Parkinson and several assistants were guests.

Dr. F. H. Beach, University of Illinois department of commerce, spoke at Danville. The Lake county association and Waukegan-North Chicago chamber of commerce held a joint meeting and George Huth, Provident Mutual, Chicago, chairman Chicago association payroll savings committee and Illinois co-chairman National association war savings committee, spoke on the fifth war loan drive.

W. H. Moon of selective service at Galesburg gave a talk there. Rupert Mills, chairman Peoria county payroll savings drive, and Warner Schlieman of payroll savings staff in Illinois spoke at Peoria, where L. O. Schriver, general agent Aetna Life, also gave a talk.

The Champaign county and East St. Louis associations held their annual meetings.

#### San Antonio Association Names Vincent President

SAN ANTONIO, TEX.—The San Antonio Association of Life Underwriters has elected F. Ronald Vincent, Travelers, president; O. R. McAtee, Republic National, vice-president; Miss Mary Donnell, Equitable Society, secretary; L. C. Russell, American National, treasurer. Directors are: Bert A. Perry, Reliance Life; N. J. Bradbury, Bankers Life of Iowa; J. Y. Williamson, Southwestern Life, and W. J. Schnabel, Jefferson Standard.

G. T. Tilton, specialist in estate trusts, spoke on the field for sales among men with large estates. He said paying premiums on life insurance should be regarded by the estate builder as an expense of doing business, just as much as premiums for compensation and other forms of insurance which he must provide as a necessity in business. Frequently the life man who attempts to program the prospect's insurance sells him \$25,000 of life insurance when he should sell him \$200,000. This results in a dissatisfied buyer and hurts the prestige of life insurance.

#### New Association in Jersey City

The Life Underwriters Association of Hudson County has formed a luncheon meeting in Jersey City with these officers: President, Donald Spence, Massachusetts Mutual; vice-president, A. J. Passanant, Metropolitan Life; secretary, Nicholas N. Sassano, Metropolitan Life; treasurer, Irving Victoroff, Bankers National Life.

Prime movers in the new organization were Carlton Cox, president New Jersey Association; Philip J. Torsney, president Northern New Jersey Association, and Paul H. Day, Bergen-Passaic county president.

#### "Bulletin" Seeks Ideas

Editors of "The Bulletin" of the New York City Life Underwriters Association have sent out with the current issue a questionnaire asking readers for ideas that would be helpful in improving the publication.

#### Oklahoma Meeting Advanced

The annual meeting of the Oklahoma Association of Life Underwriters in Tulsa has been advanced from May 27 to May 18. It will be confined to a

## PATENT PENDING

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Theo. P. Beasley, President

DALLAS 8, TEXAS



half-day session, followed by a directors meeting when officers will be elected.

Herbert A. Hedges, N. A. L. U. president, will be key speaker instead of J. E. Rutherford, as previously announced. President Hedges also will address the Muskogee association that night.

**Dallas**—E. J. Dore, Berkshire Life, Detroit, and Jul B. Baumann, Pacific Mutual, Houston, both N.A.L.U. trustees, have been added as speakers for the Texas sales congress here June 13-14.

A section will be set up in the Texas association for industrial managers, and an industrial leaders' round table will be organized.

J. A. Foster, National L. & A., Dallas, will be chairman of the first meeting of the industrial managers. The meeting of the "Leaders' Round Table (ordinary)" will be presided over by Sam Ross, Great Southern, Beaumont and the meeting of ordinary managers by Starkey Duncan, John Hancock, San Antonio.

**Charlottesville, Va.**—John M. Fraser, Connecticut Mutual, New York, told of his experience in organizing the first war bond payroll savings plan for life agents in New York.

**St. Paul**—William E. Hays, director of agencies of New England Mutual Life, had as his topic "On the Threshold."

**Wichita**—Harry W. Stanley, Equitable of Iowa general agent, spoke on "Settlement Options and How Applied." Officers will be elected June 16.

**Waterloo, Ia.**—W. H. Andrews, Jr., N.A.L.U. vice-president, spoke on "Write Your Own Ticket." About 60 members and their wives attended. State President C. V. Shepherd of Cedar Rapids and several other association officers were present.

**Steubenville, O.**—New officers are Harry Borden, president; Lloyd Linderman, vice-president; Horace Cattell, secretary-treasurer.

**Buffalo**—Milton F. Jones, assistant supervisor agency field forces of Travelers, will address the annual meeting May 18 on "Motivation—Its Place in the Salesman's Kit."

**Cedar Rapids**—Herbert A. Hedges addressed a luncheon meeting. He felt at home here, as in 1912 he attended Coe College here, and was later service manager of the Keith-Vawter Chautauqua, which maintained headquarters here.

A special meeting was held May 8 with W. H. Andrews, Jr., vice-president A.L.U. as guest.

**Washington**—Elected as directors for a 3-year term are Leon Katz, State Mutual; Hiram S. Hart, Travelers; Vernon W. Holleman, Home Life. The directors will choose a new president. The luncheon was marked by an address by Vice-president William P. Worthington of Home Life, who said the principal qualifications of a successful agent are conviction, sincerity and enthusiasm.

**Rochester, N. Y.**—Speakers at the sales congress May 25 include Byron A. Johnson, president Rochester chamber of commerce; Edward R. Gettings, Northwestern Mutual Life, Albany, president New York state association; Clancy D. Connell, Provident Mutual, New York,

secretary N.A.L.U.; Joseph Silverstein, Mutual Life, Rochester; Col. D. Gordon Hunter, vice-president Phoenix Mutual Life, and Vincent B. Coffin, vice-president Connecticut Mutual. The meeting is being held in conjunction with the annual meeting of the New York state association.

**Topeka**—The association has gone over the top in its membership campaign with a 100% increase. In cooperation with the Committee for Economic Development, members are making a personal survey of about 40 industrial firms of the city.

**Jackson, Mich.**—Ernest W. Owen, British vice-consul in charge of public relations and retired Detroit manager of Sun Life of Canada, will speak May 17.

**Northern New Jersey**—A. H. Motley, publisher of the "American Magazine," spoke Thursday on "Paralysis by Analysis."

**Bergen-Passaic County, N. J.**—Leon Gilbert Simon, Equitable Society, New York, spoke at a luncheon meeting in Hackensack Thursday.

**Des Moines**—At the monthly meeting of the directors total membership was reported as 203, which was a substantial increase in spite of the fact that 53 members are in the armed forces.

At a meeting May 17 Grant L. Hill, director of agencies of Northwestern Mutual, will be the speaker.

**Mason City, Ia.**—C. V. Shepherd, president Iowa state association, held a meeting of the presidents of all Iowa and Minnesota associations here. Nearly every association was represented.

All officers of the Iowa state association, the president of the National association, Herbert Hedges, the vice-president, William H. Andrews, Jr., as well as Trustee Paul Dunnavan of Minneapolis attended.

The group were guests of the Mason City association at a luncheon. President George Harrer of Mason City presided and introduced Mr. Hedges.

John J. Steger, president Minnesota state association, collaborated with Mr. Shepherd, in arranging the meeting.

**Galesburg, Ill.**—Florence McConnell, John Hancock, has been named president, succeeding George Berry, who has been transferred by Metropolitan Life to Canton.

**Toledo**—New officers are: President, William G. Adams, Aetna Life, succeeding Robert E. Florian; vice-presidents, Caleb York, Equitable Society, and Louis Kuhlman, Metropolitan; trustees, Floyd Baldwin, Mutual Life; C. D. Hansen, Western & Southern, and Emile Hirschey, Prudential.

**Richmond, Va.**—At a meeting Friday talks will be given on "The Ideal Agent" and "The Ideal Manager."

**Champaign County, Ill.**—Ralph H. Light, Equitable of Iowa, Champaign, has been elected president. W. Russell Camp, National Life of Vermont, is vice-president; Nathaniel P. Blanchard, Security Mutual of New York, secretary-treasurer.

**Austin, Tex.**—New officers elected are: Aubrey Frazier, Amicable Life, president; F. W. Moore, Southwestern Life, vice-president; Allen Cain, Western Reserve Life, secretary; R. B. Mitchell, Southland Life, treasurer. The charter is in final stages of preparation.

**New Jersey**—At the sales congress in Newark June 22, Ward Phelps of the home office of Mutual Life will talk on "Our Biggest Job in This Year of Invasion." C. K. Barton, New Jersey state senator, also will speak.

**San Francisco**—Members of the Los Angeles caravan who will appear as speakers at the northern California sales congress May 18 will be: Paul Zerrahn, "Have You a Plan?"; John F. Curtis, "Motivation that Works for Me"; Barney Nudelman, "Prospecting-Key to 1944 Success"; Martin I. Scott, "Opportunities and Responsibilities"; Edward Choate, "One Man's Philosophy"; Dewey R. Mason, "Let's Decide".

Members of the San Francisco caravan, who appeared at the Los Angeles congress May 3, will put on the morning program.

The meeting is sponsored by the San Francisco and Oakland-East Bay associations. C. H. Linford, Travelers, is general chairman.

John M. Brown, Phoenix Mutual, Winston-Salem, N. C., has completed 1,000 weeks of consecutive production. He has produced at least one application a week since he first entered the business in 1924.

## AGENCY NEWS

### Brink Agency Sets Record

The agency headed by Earl B. Brink of Detroit, state manager for Michigan of Mutual Benefit Health & Accident and United Benefit Life, set a new record in accident and health production in April with 11,141 points of business. Under the system followed by those companies an accident-only application is figured as one point and health and accident combined as two points. This means that the Michigan agents made more than 6,000 individual sales in April. The agency also wrote \$818,868 of life insurance. The previous high record for Mutual Benefit was 7,360 points, held by Ernest Hundahl, manager for Texas, Oklahoma and Louisiana.

The Brink agency had 27 agents who produced more than 100 points each in accident and health, Keith Pardee being the leader with 344. Joseph Eisen was the leader in life production with \$319,000.

### Ga. Agency Wins Two Awards

Life of Virginia has awarded the Walker trophy and the agency management trophy to the Georgia agency at Atlanta, of which Willis J. Milner, Jr., is manager. Mr. Milner's organization scored the largest net increase of business and attained the highest general standards of management among the company ordinary agencies in 1943.

This is the first time that both awards have been won by the same agency.

### Neb. Wins Conn. Mutual Trophy

Connecticut Mutual Life's president's organization trophy has been presented to Paul C. Kaul, Nebraska general agent, for 1943, by President James Lee Loomis at Omaha.

The Nebraska agency won the award for a 52.6% increase in business. In the first four months of 1944 paid business showed gain of 62.8%.

Except for Dallas, the Nebraska agency is the only one west of the Mississippi river to receive the trophy.

### Wolfson's Anniversary

S. Samuel Wolfson of New York, leading general agent of Berkshire Life, celebrated May 1 the 15th anniversary of his agency with Berkshire and his 30th anniversary in the business. He was guest of honor at a dinner given by President H. L. Amber. W. Rankin Furey, vice-president and director of agencies, was toastmaster.

## MANAGERS

### Hood New President of Portland, Ore., Managers

Wilbur K. Hood, Mutual Life, has been elected president of the Life Managers Association of Portland, Ore. A. A. Hendricks, American National is vice-president, and Arthur Weaver, Sun Life, secretary-treasurer.

I. E. Herwin is retiring president.

### To Hear Business Bureau Man

Webster Benham, assistant manager of the Oklahoma City Better Business Bureau, will address the Oklahoma General Agents & Managers Club May 15 on the relation of the bureau to life insurance.

### Conduct Personnel Seminar

The Life Insurance Managers Association of Los Angeles has inaugurated a five-week sales personnel seminar.

Emphasis will be placed on: (1) Setting employment standards in terms of market objectives; (2) use of special tests in appraisal procedure; (3) appraising by interview and investigation;

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President

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HOME OFFICE—SYRACUSE, N. Y.

(4) use of appraisal system in (a) eliminating the unqualified, (b) adapting training and supervision in individual needs, (c) adapting compensation to earning power, and (d) recruiting qualified, career-minded salesmen; (5) minimum essentials of sales personnel research with principal emphasis on (a) locating weaknesses in management practices and (b) determining the value of sales personnel materials and procedures including appraisal systems.

### Peters Is Lansing President

At a meeting of the Lansing Life Managers & General Agents Association, the following officers were elected: President, Lester C. Peters, Metropolitan; vice-president, John A. Erskine, Mutual Benefit; secretary, W. H. Burlingame, Sun Life of Canada; directors, Walter C. Evans, Ohio National, Edward P. McGee, North American Life of Canada.

Representatives of practically every company with a Dallas office were present at the "guest day" meeting of the Life Insurance Cashiers Association of Dallas under the direction of Miss Dona Newland, Bankers Life, president.

The Columbus Life Cashiers Association, at its annual meeting Tuesday, elected C. E. Barr, New England Mutual, president; Mrs. Karl Zehner, Bankers, vice-president; Miss Esther St. Clair, Massachusetts Mutual, secretary.

## RECORDS

**Provident Mutual**—Ledger assets increased by \$7,143,000 during the first quarter. New insurance sold for the quarter amounted to \$28,428,000. Insurance in force increased by \$15,582,000 to \$1,070,921,000, the largest increase for any corresponding period since 1928.

**National Life, Vt.**—April writings exceeded those of the same month a year ago by 48%. During the first four months insurance in force increased \$14,979,185 to \$656,378,951.

**Union Mutual Life**—Paid business for the first four months showed a gain of 4.63% over that of the corresponding period a year ago.

**State Mutual Life**—April paid business 10.25% ahead of April, 1943. For the four months, the gain over last year is 18.49%. April is the fifteenth consecutive month that State Mutual has shown a gain over the previous year. State Mutual observed its 100th birthday in March.

**American Mutual Life**—April was the fourth consecutive month to show a gain in new paid business. For the year to date it is 13% ahead of last year.

Honoring Dr. E. B. Mountain, president and medical director, a "Mountain

Climbing" sales contest is being conducted in May.

**Atlantic Life**—Gain in insurance in force the first four months was \$2,312,790, about 73% greater than last year. The total now exceeds \$146 million. The company's goal is \$150 million by October or November.

**Old Line Life of America**—New paid life insurance increased 28% and accident and health 16% for the first quarter as compared to a year ago. Life insurance in force increased to \$91,534,317. Admitted assets reached \$27,455,481, an increase of \$277,186.

**Equitable Life of Iowa**—In April the paid for total of new life insurance and annuities was \$4,939,651. For the first four months the total was \$25,546,416. Insurance in force increase for the year to date is \$9,216,840, the total being \$668,146,538.

**Ohio National Life**—All production records in the annual April-May sales campaigns were broken in April in a "circuit" drive. There was \$400,000 increase over April, 1943, and the largest monthly production so far this year. In May, the second month of the campaign, there will be a one-week drive in honor of President T. W. Appleby's 30th anniversary with the company.

**Reliance Life**—Insurance in force has passed \$607,000,000; assets exceed \$170,000,000. Business in April increased more than 75% over April, 1943.

**Business Men's Assurance**—April production for the 16th consecutive time establishing a new high record of production for the month. New business for the first four months increased 47.1% over last year. Paid life insurance for the year to May 1 was \$12,215,734 compared to \$8,278,625 in 1943. More than 9% of sales for the year to date have been made by men in their first year of service. New organization showed an increase in production of 80%.

The Kansas City branch office under Manager R. J. Costigan led all branches and L. G. Noleby, district supervisor at Boise, Ida., was the individual leader.

**Franklin Life**—An increase of 33% in issued business during April as compared with the same month of last year is announced. Business in force has been increased to \$253,600,000, resulting from production of \$11,585,000 since Jan. 1. Issued business for the first four months shows an increase of 29.3%. Assets have passed \$60 million.

**Capitol Life**—April paid for ordinary showed an increase of 97.9% over a year ago. For the four months of 1944 the gain is 136%. For the first week in May the written business was better than 100% increase over the first six days of May, 1943.

### Boston Claim Men to Elect

**BOSTON**—The Boston Life & Accident Claim Association holds its annual meeting Friday evening. These officers are scheduled for election: President, Harry J. Cochran, Maryland Casualty; vice-president, John W. Whittemore, Eastern Commercial Travelers; secretary, T. W. Farrell, Retail Credit Co.; treasurer, George R. Bacon, H. C. Hawthorne & Co.; executive committee, W. I. Newton, Craftsman; George B. Smith, Monarch Life; H. E. Walker, Pinkerton National Detective Agency.

### A. & H. Bureau Meeting June 27-28

The Bureau of Personal Accident and Health Underwriters will hold its annual meeting June 27-28 at the Hotel Pennsylvania, New York City.

J. Edward Hedges, associate professor in charge of the insurance curriculum at Indiana University and a member of the executive committee of the American Association of University Teachers of Insurance, joined the Foreign Economic Administration at Washington this week. He has been given a year's leave of absence by the university.

### THE WOMAN'S BENEFIT ASSOCIATION

Founded 1892

A Legal Reserve Fraternal Benefit Society  
Bina West Miller Supreme President  
Francis D. Partridge Supreme Secretary  
Port Huron, Michigan

## LEGAL RESERVE FRATERALS

### Newberry Outlines Obligations

Some "mysts" for the fraternal beneficiary system were outlined by Farrar Newberry, vice-president of National Fraternal Congress and president of Woodmen of the World, Omaha, in an address for National Fraternal Week, May 8-12, which was broadcast by publications and many radio speakers. There are unmistakable obligations to be met, he said. The insurance certificates must be streamlined to meet all basic family needs. They must meet competition. They must be designed to give liberal compensation to societies' representatives in the field, for the laborer is worthy of his hire.

Home office machinery must be geared to greatest usefulness with least possible overlap and waste.

Increased emphasis must be laid on juvenile departments, for an assurance of future membership expansion and a guaranty that the work will be projected in the new generation.

"We must remember always that we are committed to fraternal service. We are an insurance organization but we are fraternities as well." He said lodge committees must be charged with particular fraternal duties; public programs should be offered to reinstate lodge prestige in the community; awards for wider application of fraternal precepts should be offered by home office management.

### Six-way Family Security Plan Is Announced

Catholic Family Protective of Milwaukee has brought out a "family security" six-way plan which combines hospital, medical fee, surgical fee, maternity and accidental death benefits, and weekly income payable when the assured is laid up at home by sickness or accident. The policy is available to employed people, farmers or business men who are in good health. It is a group plan covering fathers, mothers and children under 19, but also is available to individuals.

Catholic Family Protective also announced a disability policy covering the father or head of the family, or any individual, which pays for accidental death, expenses caused by accident, indemnities for loss of limb, sight, etc., loss of time and other specific losses caused by disease. There also is an identification expense provision.

### Washington Congress Meets

**SEATTLE**—Governor A. B. Langlie addressed the annual convention of the Washington State Fraternal Congress. Other speakers included Commissioner W. A. Sullivan of Washington, Mrs. Grace W. McCurdy, Rock Island,

### Cal. Lists "Reciprocal" States

**LOS ANGELES**—Commissioner Garrison has notified all companies domiciled in California that 15 states now are classed as "reciprocal" states under the California insurance code and has asked them to bring to his attention any instance of a California insurer insuring risks within the state in violation of these laws.

The states listed are Arkansas, Colorado, Kansas, Louisiana, Maine, Maryland, Michigan, Montana, New Hampshire, New Mexico, Ohio, Oregon, Utah, Virginia (life and disability only), West Virginia.

### Hooper-Holmes Canadian Shifts

W. R. Whittam has been appointed home office representative of Hooper-Holmes Bureau in Toronto. He has been for several months with the Pacific Coast headquarters in San Francisco and before that was manager at Vancouver. Ronald Eveleigh is now Vancouver manager.

Ill., president National Fraternal Congress; J. F. Fogarty, head of A. O. U. W., of Washington, and Maurice Hudson, president Oregon Congress.

### Benz to Run for Governor

Alexander O. Benz, past president of the National Fraternal Congress and president of Aid Association for Lutherans, Appleton, Wis., has announced his candidacy for the Progressive nomination for governor of Wisconsin in the state primary election this fall. He has been an executive of Aid Association since 1929.

Farrar Newberry, vice-president of the National Fraternal Congress, spoke at a basket picnic of the Oklahoma Fraternal Congress in Oklahoma City.

Mrs. Lillie T. Haight, Royal Neighbors, and J. W. Gerrets, N. C. Henderson and R. N. Dossman, Woodmen of the World, Omaha, have been awarded the insurance counselor degree by the Fraternal Field Managers' Association.

## IN U. S. WAR SERVICE

J. Smith Ferebee, famed marathon golfer and in civilian life member of the Woody agency of Equitable Society in Chicago, appeared at the big Equitable luncheon in Chicago Monday. He is now lieutenant comm. in the navy, stationed at Glenview air base near Chicago.

Maj. Elmer S. Worlund, U. S. army air force, formerly with the home office agency of West Coast Life, is in Letterman General Hospital in San Francisco, recuperating from malaria contracted during many months of active service on Pacific war fronts, including Bataan.

Capt. H. W. Richter, with Mutual Benefit Life in Milwaukee before entering service, has been promoted to major. He is procurement officer with the 6th service command in Chicago.

E. J. Schomburg, son of George L. Schomburg, assistant manager Prudential in Chicago, has been commissioned a captain in the army air forces. He is stationed at the army air base at Topeka, Kan. Prior to entering the service in 1941, he was a special agent of Prudential in Chicago.

Jack R. Morris, director of publicity of Business Men's Assurance on leave of absence in the navy, has been promoted to lieutenant. He is with the office of naval officer procurement in Detroit.

Samuel C. Loventhal, formerly associated with his father, Charles B. H. Loventhal, in the Loventhal Bros. agency, Nashville, and a third generation leading producer for Northwestern Mutual Life, has been promoted from first lieutenant to captain at Lowry Field, Denver, where he is a statistical officer.

### Ask Deposit of Pacific Mut. Stock

**LOS ANGELES**—Pacific Mutual shareholders protective committee is asking stockholders to deposit their old Pacific Mutual Life stock with Citizens National Trust & Savings Bank here as depository under SEC authorization effective April 27. Purpose of the committee is to work with Pacific Mutual (new company) management to see that the rehabilitation plan is adhered to, that non-cancellable policy benefits are fully restored as soon as possible and that new Pacific Mutual properties are restored to the old Pacific Mutual. The committee declares its intention, if mutualization is achieved, of seeing that old company stockholders receive adequate payment, and if the old company cannot be rehabilitated to negotiate sale of deposited stock on best terms obtainable. Request for deposits is signed by F. C. Rand, St. Louis, chairman; Leslie Waggener, Dallas; J. S. Voelkel and H. H. Waggenseller, Los Angeles.

The  
**A. O. U. W.**  
of North Dakota

THE PIONEER OF FRATERNAL  
LEGAL RESERVE SOCIETIES

Provides All Popular Forms of  
Life and Disability Insurance

A True Fraternal and a Mutual  
Life Insurance Association

Home Office—Fargo, N. D.



## Play-by-Play Story on Investments

(CONTINUED FROM PAGE 1)

ment. Out of the proceeds of sales and the net income from the properties, Equitable got back all of the principal, plus foreclosure costs, interest in default and 1½% interest return on the value of the real estate during the period Equitable held it. Such a record, he said, cannot be met by any other lending institution. Last year Equitable, he said, sold \$39½ million of real estate for \$40¾ million.

The problem now is no longer one of management of properties but making new investments in other fields. R. I. Nowell, manager farm mortgage department, who was at the head table, he said, is completing the job of farm foreclosures and is laying outstanding plans for future farm mortgage investments. The handling of 15,000 pieces of improved property was difficult and nearly flooded Equitable in 1934, he said. Equitable took hold of the job quickly and decisively.

A few months ago, Mr. Parkinson said, Equitable expected to abandon its home purchase plan and substitute a group plan of mortgage redemption but the decision has been changed and Equitable is going ahead with its home purchase department which will be served by real estate men and the business written by life insurance men. John H. Muller who was also at the head table, he announced, will be manager of the home purchase department handling appraisals, legal services, agency operations. It will be a streamlined operation, he declared.

### "Upstream" Investments

Mr. Parkinson spoke with pride of the success that Equitable has had in making what he termed "upstream" investments. It was in telling about these results that Mr. Parkinson rose to a particularly fervent pitch. He spoke exultantly of the fact that Equitable made some major investment decisions that were in conflict with the general view at the time. For instance about eight years ago Equitable invested \$120 million in what were then regarded as second grade public utilities but which turned out to be first grade. They gave a handsome return, he said. Many of the bonds have been refinanced, giving a "sweet profit" to Equitable.

Another "upstream" investment was in the railroad field. In 1938, "when everybody else was selling railroads," he said Equitable bought \$100 million of railroad bonds in a period of six months. Since 1937 Equitable has bought \$350 million railroad bonds and \$60 million railroad equipment certificates. It has sold the latter down to \$35 million. Equitable felt that the equipment itself was wearing out and so decided to restrict its investments to the best railroad credit risks. It sold the "less than the best" of these investments.

In the investment world, the purchase by Equitable of \$350 million of railroad

bonds was, he said first, the subject of criticism, then of wonder and now of envy. Equitable purchased only underlying bonds and they have produced a fine return during the past seven to eight years. They have provided an interesting job in administering the investment. There will be some liquidation of these bonds, but Equitable, he said, is not selling railroad bonds as such.

He mentioned that Equitable had bought \$20 million of Illinois division of C. B. & Q. railroad and C. B. & Q. bought back \$7 million of those last year. C. B. & Q. now has the means to pay off the rest of the obligation on its lines from Chicago to St. Paul. Equitable bought these securities well under par, at panic prices and they will be turned in at \$105 before the end of the year.

### Tells How It is Done

Agents, he remarked, frequently encountered the question: "How can Equitable do it?"

Bankers say that they are not able to do it in their trust or mortgage department. One reason is, Mr. Parkinson said, that Equitable possesses a country-wide organization handling a large volume of investment. It can hire a large and able organization. It has an old portfolio of investments that provides a higher yield than what is now available. Equitable has an attitude that isn't satisfied with taking what is available. It insists on quality. If it can't get quality it won't invest. It will leave it in cash. Incidentally Mr. Parkinson remarked that if Equitable had left all its money in cash from 1896-1917 it would have been better off than it was. It will take a lesser yield today so as to be able to take advantage of opportunities in the future. During the next six months Equitable will make corporate investments of \$75 million at better than 3½%.

Equitable's assets today stand at \$3 billion 300 million, he said. The surplus is up \$10 million since Dec. 31, and the excess of market over book value of non-amortizable securities is \$27 million as compared with \$13 million at Dec. 31. These cushions will be used to reduce the necessity for higher yields.

Mr. Parkinson spoke of the huge investment of Equitable in government bonds. Feeling that an emergency was impending, Equitable had accumulated \$370 million in cash before Pearl Harbor and in the last month of 1941 invested heavily in government bonds. It put more than its share in government bonds in 1942, he declared. It has \$180 million in cash for subscription to the government issues that are opening the latter part of this month.

Equitable administers its investment in government bonds, he declared. It doesn't sell when the Treasury is selling but when others are buying it sells and is thus in a better position to buy

## THIS TEN-YEAR RECORD SPEAKS FOR ITSELF

The Indianapolis Life Insurance Company, organized as a Legal Reserve Mutual Company in 1905, has made a splendid record for thirty-nine years.

The Company points with particular pride to the last ten years.

From December 31, 1933 to December 31, 1943

### ASSETS increased from—

\$15,264,295.50 to \$34,453,835.42 a 125.7% gain

### SURPLUS increased from—

\$1,012,784.68 to \$2,212,416.87 a 118.4% gain

### INSURANCE IN FORCE increased from—

\$93,125,124 to \$133,094,965 a 42.9% gain

The Company paid \$17,043,503.47 to policyholders and beneficiaries during these ten years.

ITS POLICY CONTRACTS cover the field thoroughly—ages 0 to 65.

ITS AGENCY CONTRACTS—fair and attractive, service fees after renewal period, and a pension at 65.

## INDIANAPOLIS LIFE INSURANCE COMPANY

Indianapolis 7, Indiana

A. H. Kahler  
Second Vice-President  
Supt. of Agencies

Edward B. Raub  
President

General Agency opportunities in DECATUR, SPRINGFIELD and ROCKFORD, ILLINOIS and in a few choice territories in INDIANA, OHIO, MICHIGAN, TEXAS, MINNESOTA and IOWA.

## OPPORTUNITY

### The Pan-American Life Offers:

- \*A complete line of Policies on Participating and Non-Participating Plans.
- \*One of the most liberal Agency Contracts in America—Commissions plus cash allowances.
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- \*A New System, relieving General Agents from detailed Agency Accounting.
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Correspondence invited with men not at present connected.

Address:

CHARLES J. MESMAN, Superintendent of Agencies

Pan-American Life Insurance Company  
New Orleans, U. S. A.

CRAWFORD H. ELLIS  
President

EDWARD G. SIMMONS  
Executive Vice-President

It would be a courtesy to the NATIONAL UNDERWRITER, if you will mention the name of this publication when replying to the above advertisement. Pan-American Life Insurance Company.

## SALINA

more than the crossroads of U. S. highways 40 and 81—ranks fourth in the nation in flour production—a distributing center for the rich wheat belt of North Central Kansas. Alliance Life can help YOU establish a good agency in this city of homes.

B. T. Kamins, Agency Director

R. E. Button, Reinsurance Secretary

**Alliance Life**  
Insurance Company

Executive office: 750 N. MICHIGAN AVENUE  
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## PENNSYLVANIA

**FRANK M. SPEAKMAN**  
 CONSULTING ACTUARY  
 Associate  
 E. P. Higgins  
 THE BOURSE PHILADELPHIA

new issues from the Treasury. It buys when others are selling. It supported the government bond market in September, 1939, and in the spring of 1940, he said, Equitable was the principal supporter of the market and right after Pearl Harbor it was the biggest buyer of government bonds in the country. Mr. Parkinson said he told this to Secretary Morgenthau recently and the latter replied:

"That was very patriotic and damn good business."

Mr. Parkinson made clear that he was not personally claiming the credit for investment results except insofar as he was responsible for creating the organization of the investment department. He said that he had "cut down the upholstery bill around the home office," meaning that investment experts were on their toes, go into the field and pursue an aggressive competitive policy.

Now, he said, Equitable is able to pay the people in the organization that are rendering service. It has been able to set up its retirement plans because of the high profits that it has made. It is entitled to take some of those profits for a retirement plan that increases competence, permanence and successful operation. The benefits are provided out of the results of vigorous management, he declared.

### Soldiers Desire to Return

Mr. Parkinson said that all the Equitable agents that are now in uniform earnestly desire to return to the service and many of them will bring "pals" with them. A great opportunity for developing personnel lies ahead. Equitable desires to give to its representatives as much as it can.

The market for life insurance is favorable. People have funds and don't have competing things to purchase. The agent should take full advantage of it. Now is the time to make hay. He said Equitable expects to get approval from the "economic stabilizers" of the payment of 5% renewal commission instead of 2% in the fourth, fifth and sixth years. It is understood this already has the approval of the New York department. This would make the scale 45, 15, 10, three 5's, and perpetual 2's thereafter.

### Weakness in Bond Selling

Mr. Parkinson said that the government has not yet done the job well of selling government bonds to individuals. It has had to resort to too great an extent to the unsound financing of government needs by the sale of bonds to banks. Meanwhile the agent can do the job of selling to the individual. He can divert dollars from inflationary expenditures and the purchase of government bonds by life insurance companies is with existing funds.

"We have the opportunity to get that money," he said.

Mr. Parkinson remarked that life insurance carries the stability of the present into the next generation.

The luncheon group embraced the leading managers, district managers and agents in the central and Texas depart-

ments and the "par" agents from Chicago.

Walter Gottschall, director of agencies for the central department, presided. He announced that the entire country sales during the "Par for Parkinson" campaign amounted to \$89,077,665 as compared with \$68,399,816 last year. The number of lives this year was 19,843 as compared with 17,942 last year. There were 1,545 "par" agents as contrasted with 1,363 last year and 3,342 agents participated this year as compared with 3,081 last year.

The Texas department, with 175.6% of quota, topped the central department, whose ratio was 149 and W. W. Klingman, general manager of Texas agencies, was able to engage in some good natured gloating. Mr. Klingman presented the winners in the various categories in his territory while Mr. Gottschall did the same honors for his people.

### In Los Angeles Thursday

Mr. Parkinson addressed a meeting of the western division at Los Angeles Thursday and he will appear at the New York meeting May 19. For the two previous years the western department winners had gone to Chicago to join in the central department festivities.

In the central department the leading manager was A. B. Shea, Minneapolis; second, Lee Wandling, Omaha; third, C. W. Poole, Aberdeen, S. D. The leading unit manager was W. B. Farr, South Bend; leading agent, Louis Behr, Lustgarten agency, Chicago, who was also the 1943 winner and second was E. R. Tennyson, Milwaukee.

In the Texas department the leading manager was A. L. Spooner, San Antonio; unit manager, John W. Richey, Houston; leading agent, L. M. Sanders, Houston.

In the western department the leading manager was R. Berlin, Spokane, and T. H. Groves, Portland, second. The leading unit manager was J. R. D. McIntyre, Spokane, and the leading agent was M. W. Kelso, Los Angeles, who was also the 1943 winner.

The central department volume was \$32,367,186 compared with \$26,290,786 last year. The figures for the east were \$14,918,151 and \$12,049,526; south, \$13,798,632 and \$10,098,288; New York, \$13,098,262 and \$9,836,535; west, \$12,919,920 and \$6,679,318; Texas \$1,975,464 and \$1,445,363.

At the Chicago luncheon the head office was represented in addition to Mr. Parkinson by W. J. Graham, agency vice-president; Henry Alexander, director and chairman of the agency committee of the board, who is a much beloved figure of Equitable; R. I. Nowell, manager farm mortgage department; John H. Muller, manager city real estate department, and Joseph Bell of the investment department.

For accident and health sales ideas, use the Sales Section of the A. & H. Bulletins. Write The A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio.

## Ohio Association Renames Paul Smith as President

(CONTINUED FROM PAGE 1)

Ralph W. Hoyer, Columbus, general agent John Hancock, the Ohio association unanimously adopted a similar resolution. Mr. Hoyer announced that he would definitely not run for reelection for any national office when his term as trustee expires.

## SALES CONGRESS

During the next generation one-fourth of the productive energies of the people must go to pay the costs of the war and the operating expenses of the nation, Judd C. Benson, Cincinnati manager Union Central Life, declared before the sales congress. In light of this responsibility, Mr. Benson urged agents to point out to every man and woman the necessity to start saving now while wages are high so they will be able to bear their share of this great post-war burden.

As the next decade will be one of low interest rates and high taxes the man who wishes to accumulate an estate will more than ever have to turn to life insurance to solve the problem, Mr. Benson pointed out.

Discussing "Success Depends upon your Philosophy of Life," B. B. Fleming, Midland Mutual, Osborn, O., emphasized the advisability of selling each prospect what he ought to have and knowing prospects well.

C. A. Corwin, New England Mutual, Springfield, O., departmentalized a successful life agent by comparing him to a complete business organization with five major departments: personnel, financial, public relations, service and new business. "Always be making plans for the future as new business must produce between 40% and 50% of your income if you are to be successful," he pointed out.

### President Hedges Speaks

Over 300 heard Herbert A. Hedges, president N.A.L.U., speak at the luncheon session. Mr. Hedges urged all present to take a week-end to study the implications of the Wagner-Murray-Dingell bill which he declared would "make us all become wards of the state." Cautioning that most anyone might say "yes" if asked if he would like to have \$120 a month at 65, Mr. Hedges emphasized the duty of life agents to properly inform the public of the full implications of the measure.

The National association will fight to the last ditch for individual initiative he asserted, stating that problems like the Wagner bill can be met by the combined help of every insurance man and company.

### Social Security Speaker

Thomas Hughes, regional director of the Social Security Board, spoke on "Social Insurance" at the luncheon. He declared that the present social security program is still grossly inadequate, that far broader plans of social insurance are desirable. He recommended very comprehensive federal plans of unemployment, old age, accident and health and medical care, stating that they could be done best only by the national government. Mr. Hughes was questioned and interrupted repeatedly and so severely by many agents that President Paul M. Smith of the state association, who presided, had considerable difficulty in maintaining order.

### Company Presidents Attend

Among the guests were Claris Adams, president Ohio State Life, D. E. Ball, president Columbus Mutual Life; George W. Steinman, president Midland Mutual Life and M. D. Lincoln, president Farm Bureau Life.

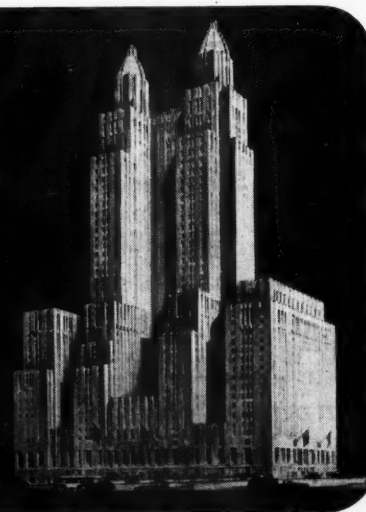
John H. Winters, Mutual Life, president Columbus association, presided at the morning session and L. L. Lenz, Connecticut Mutual, was general chairman of the sales congress.

Smoothly geared to  
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Covenience is what counts in wartime meetings at The Waldorf... where conference rooms and guest rooms are spacious and quiet... and where subways connect with every point of the city.

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	Per Month
2nd year .....	\$104
6th year .....	171
11th year .....	188
16th year .....	204
20th year and over.....	221

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## Q·V·S PERFORMANCE BONUS PAYS OFF

*To this bonus add:*

- 1 Substantial 1st year Commissions
- 2 Generous Renewal Commissions
- 3 Life Time Service Commissions

\*250,000 net new paid volume at \$30 per thousand, "A" persistency.

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Write to W. V. Woollen, Agency Vice President

**The CAPITOL LIFE INSURANCE Company**

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**Your Family Financially Secure**

**Your Children Well Educated**

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INSURANCE COMPANY



Since 1867

a life insurance company distinguished by  
the character and ability of the men and  
women comprising its field organization...  
and by the integrity of its management.

**EQUITABLE LIFE OF IOWA**

*Founded 1867*

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**COUNTRY LIFE**  
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*"Outstanding  
in Every Respect"*

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## *Bad Business for a Farmer's Family!*

You remember Jim Reeves. Owned that prosperous farm off the main highway.

Nice business Jim had. Built it up all himself.

He knew how to get the most out of his land and his labor.

Knew how to plow profits back into the land for larger and larger returns.

Knew, too, how to tide himself over years of poor crops and low prices.

Yes, he really was a good manager...as well as a good farmer.

And a good father, too!

He was going to provide carefully for his family's future comfort...for the children's education.

As soon as he got around to it...

Meantime, if anything "happened" to him, Helen could run the farm all right.

Well, you know the story. It did "happen"...and events soon proved that Jim had overestimated his wife's ability to take over.

He had expected too much of Helen.

Not only was she handicapped by inexperience, but, she had the care of five young children and a household on her shoulders.

As the farm's income dropped, she piled up debts to pay for supplies and help, and suddenly found herself faced with a mortgage payment she couldn't meet.

She received only a fraction of the farm's real value at the foreclosure sale.

Too bad Jim didn't arrange that "mortgage" and "emergency fund" insurance, as he had intended. It could have carried Helen over until the children were old enough to take a hand.

It wasn't the cost...an extra litter of pigs or a few hundred hens could have paid for it.

He just didn't get around to it...

To avoid Jim's mistake...for your family's sake and your own...why not send for and read **THE EQUITABLE PLAN FOR THE BUSINESS OF FARMING**. Its six basic considerations are listed.

You are under no obligation if you send for this Plan. Simply fill in and mail us the coupon.

These vital farm family matters are helpfully discussed in "**THE EQUITABLE PLAN FOR THE BUSINESS OF FARMING**":

1. **WHEN HARD CASH IS NEEDED**...for emergency expense, and to help the family over that crucial period of readjustment that follows the death of the farmer.
2. **SAFEGUARDS AGAINST MORTGAGE DEBT**...shows how to avoid foreclosure, or provide for a "mortgage moratorium."
3. **KEEPING HIRED HANDS ON THE JOB**. The Plan arranges for the widow to pay the hired man's wages when income is low, at least until the boys grow up.
4. **FUTURE SECURITY FOR THE PARTNER**. The farmer can nicely arrange lifetime comfort and security for his wife, instead of loading her with debts.
5. **PREPARING THE CHILDREN TO "CARRY ON"**...providing money for the children's education, whether the father lives or not.
6. **TAKING IT EASY** in days to come...with the farmer's business protected, his family provided for, and a monthly check for himself.



The Equitable Life Assurance Society of the United States  
393 Seventh Avenue, New York, 1, N. Y. (Dept. C-10)

Gentlemen: Without obligation on my part, please send me a copy of "The Equitable Plan For The Business Of Farming."

Name

Post Office

R. F. D.  State

TWO WAYS TO BUILD FOR THE FUTURE—BUY WAR BONDS AND

# **JOIN THE EQUITABLE PLAN FOR THE BUSINESS OF FARMING**

OFFERED ONLY BY THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES, NEW YORK

One of a series of advertisements appearing in Farm Publications